

# Equations

Bangalore

June 2002

# Our note

*Dear Reader,*

*This issue of the DocUpdate reaches you after a period of nearly two years. We would like to apologise for this prolonged delay in bringing this issue to you. There are a number of factors that have contributed to this, the most important of them being a series of internal changes. This year we bring to you a combined publication of tourism issues for the year 2001. The edition covers materials from Newspapers, Newsletters and Magazines. The information included is indicative of tracing the tourism development and other broader issues, with a greater focus on India. The issues that have been presented are based according to the sections and sub-section of our classification code.*

*During the last year, the development of tourism in India has seen a sea of changes. These range from the preparation of the draft policies by the Tourism as well as the Civil Aviation Ministries, disinvestment of hotels and airlines, liberalising the FDI ceiling in airports and tourism to 100%, recognition of tourism as a important industry in states such as Karnataka, Andhra Pradesh, Uttaranchal, the change in events after the terrorist attacks and ways and means by which the industry tried to counter the impact, ... It truly has been an year of ups and downs for tourism.*

*The mantle of the Minister for Tourism has again changed. This time round it got shifted from Mr Ananth Kumar to Mr Jagmohan. One key area where he has been putting his efforts into is with the tourism policy. The policy is being structured and given form in terms of creation of a separate tourism development fund, setting up of a tourism development authority, visa-on-arrivals, effective marketing and zoning. A new feature of this policy is that of placing tourism in the concurrent list of the constitution and giving more emphasis on people participation. The Government also invited tenders for formulating a 20-year perspective plan for development of* 'Sustainable Tourism' *in all States and Union Territories of India.*

*The Government has increased the budgetary allocation for tourism from Rs 135-cr to Rs 155-cr for the year 01-02. The government is looking for more private participation rather than investing themselves. The Tourism Department plans to create a Tourism Development Fund on similar line as that of the National Culture Fund created by the ASI. The ASI has got a good response from the Geneva-based Aga Khan Trust for Culture and the Indian Oil Foundation. States have as well started the privatisation and private participation drive by calling on tenders to sell off its properties and manage heritage monuments in the state.*

*In the International Scenario, India has been collaborating with its neighbours Nepal to work on developing the adventure and religious circuit and with Bangladesh on liberalising the visa agreement between the two countries. Outbound tourism in India has grown much more substantially while compared to inbound tourism. This might also be the reason why a number of countries have increased there promotional and marketing activities in India. A study conducted by WTTC and Oxford Economic Forecasting reveals that the Indian traveller is consuming leisure and business products & services to the tune of $16.3 billion. This makes Indians the fastest growing travel spenders in the whole world. This can also be indicative of the fact that for the first time the balance of India's tourism account may*

*slip to a deficit. According to the figures, during the last decade the foreign exchange earned by the travel industry is down by 36 percent to Rs 4,171-cr in 2000 from Rs 6,547-cr in 1991. These figures do not seem to encouraging for the tourism industry.*

*Different*
*seems to have come up with a new one- monsoon tourism- selling the rain to the Arab tourist, while the older ones such as backwater, Ayurveda, adventure tourism are being built on and new dimensions given to them. The meaning of adventure tourism has also taken in new areas with the first space tourist, Mr Dennis Tito, who was taken to the International Space Station after having paid a whopping 20-million US dollars.*

*The Southern states of India have been working towards collaborating with each by participating in the 'Look South' conferences organised by FICCI. On this platform they come together to plan on methodologies to be chalked out for the development and promotion of tourism in each state and in the region as well. Fallout of this is the internal restructuring of the state tourism department as well. States like Karnataka and Tamil Nadu have appointed a Commissioner of tourism who would overlook the development of tourism as wellas handle the corporations.*

*Each state in its own way is trying to work at differen*
*this industry. Karnataka has set up the State Tourism Council, Kerala has drafted its Tourism Vision: 2025 and would in future work with the WTTC, Uttaranchal State Government has constituted a Tourism Advisory Board, Haryana plans to build a large number of casinos to keep its coffers ticking while Andhra Pradesh is in a tearing hurry to complete the first Greenfield airport at Shamshabad but is over looking the rehabilitation of the people displaced due to the project.*

*Another area whose impact has not been felt greatly in India but would need to be kept in mind is the WTOs' agreement on Trade in Services. The Indian delegation planned to press ahead in areas of health, telecommunication, air transport, construction, tourism, engineering, accountancy and architecture for liberalising of visa regime at the WTO negotiations on services. In this sphere, China has already moved ahead by allowing permanent residence in the country to any foreigner who would invest substantially to the economy.*

*At this stage, the team would like to acknowledge the contribution of Ms. Nina Rao, Delhi, Bailancho Saad, Goa, CAG (Citizen, Consumer and Civic Action Group), Chennai and The Dialogue, Kozhikode for providing us with clippings and reports. The next edition will see much more news from around India.*

*We hope that inspite of the delay in producing this issue, you would find the issue useful and informative. At this juncture, when we prepare the next edition of the DocUpdate (January-June, 2002), we feel that it is imperative to receive a feedback from our readers about the DocUpdate.*

*EQUATIONS Team*
*June 2002*

## A - TOURISM AND TOURISM ALTERNATIVES

**A10 Tourism and Development**

The Annual Western Region Conference of Computer Society of India was held in Goa from February 22-23, 2001. The agenda for the conference was to discuss Information Technology in Tourism and its future interaction of industries related to IT and special reference to the Tourism Industry. The Conference comprised various information sessions, talks and discussions by professionals from across the country on topics ranging from in-house solutions to e-commerce and Web-based reservations. *(CSI meet focus on IT uses for tourism sector, BL, 21/2/01)*

**A80 Tourism Research/Education**

Kuvempu University has decided to start a Postgraduate Diploma Course in Tourism from this academic year. The Department of History and Archaeology would conduct it. Kuvempu University is the first in the State to start a Postgraduate Diploma course in Tourism. *(PG course in tourism, TH, 23/6/01)*

## B - TOURISM POLICY AND TOURISM DEVELOPMENT

**B00 Tourism policy and Plans**

*Policy-related*

The Union Tourism Ministry is now giving final touches to the draft National Tourism Policy before presenting it to the Cabinet. The three main action points that emerged during the exercise related to suvidha (facilities), soochana (information) and suraksha (safety and security). Most of these areas needed interaction and decision from various other Ministries (such as Civil Aviation) and these are now being co-ordinated. An important aspect of the new policy would be public participation. Focused attention would be given for integrated development of identified centres with well-directed public participation. Moreover, with emphasis on IT, there would be an increased reliance on optimal use of e-commerce, use of Internet for information dissemination and increased use of portals for tourism information. *(New tourism policy to aim at people's participation, BL, 28/5/01)*

The Main Features of the Draft Tourism Policy framed by the Tourism Ministry are:

- Creation of a Tourism Development Fund to bridge critical infrastructural gaps
- Setting up of a Tourism Development Authority, for building 'mutually beneficial' partnership between the public and private sector
- Introduction of issue of visa on arrival for at least 15 days at all airports,
- Zoning of areas of special interest,
- Placing tourism in the concurrent list,
- Augmenting air capacity and
- Effectively marketing and promoting India overseas.

*(Tourism fund, infrastructural recast amongst draft policy proposals, Amiti Sen, FE, 13/9/01)*

The Department of Tourism, Government of India proposes to draw up a panel of consultants/ agencies for preparing a 20-year perspective plan for sustainable development of tourism in the states/ union territories. The plan will be prepared

by assessing the existing tourism scenario of the state/ UT with respect to availability of natural resources, heritage and other socio-cultural assets, quantitative / demographic factors like population, employment, occupation, income levels, etc and services and infrastructure. *(TOI, M, 4/8/01)*

The Centre appears to have succeeded in considerably narrowing down differences over the issue of placing tourism in one of the lists of the Constitution and moves are afoot to accord it legal status by making it part of the concurrent list. The Centre now plans to bring in a constitutional amendment to vest tourism in concurrent list. This was one of the major outcome of the conference of state tourism ministers and CMs. Almost all the states are in favour of this move however Rajasthan, Kerala, Goa, Uttar Pradesh, Andhra Pradesh, Madhya Pradesh, Tamil Nadu etc had opposed the proposal on grounds that if the proposal was approved, states would lose their right to legislate on a major share of state subjects and that a Comprehensive Central Legislation may not be able to take into account the regional variations within the country. This is mainly due to the fact that Tourism is a location specific activity and it should remain within the state's sphere of duties. *(Tourism may be placed in concurrent list, B S Arun, DH, 1/11/01)*

The National Commission for Women (NCW) has urged the Government to make its National Tourism Policy gender-sensitive after looking into the issue of trafficking seriously. The drafted policy, which has been sent to various Organisations for Comments, has reportedly not looked into the issue of tourism-related trafficking.

The NCW has been conducting a series of workshops on women trafficking for the past two years. Much to the shock of its members the 20-odd workshops have revealed how tourist spots like Goa, Kovalam and Sikkim have actually become dens for buying and selling young girls, majority of them still in their teens.

Some of the recommendations given are: sensitisation programmes for all sections of people, thwarting the supply route, stepping up vigil at all tourist centres, having anti- trafficking messages at all police stations, hotels, beaches and other tourist spots to instil fear in those indulging in it are some of NCW's suggestions. These and much more are also contained in a report titled 'Trafficking — a Socio-Legal Study'. The report also analyses previous legislations and gives suggestions for the revision of anti-trafficking legislations besides suggesting offences and penal provisions. It is now waiting for time from the Minister for the release of the report before any action is initiated officially. *(NCW wants tourism policy made gender sensitive, Soma Basu, TH, 26/12/01)*

The Meghalaya State Government has prepared a New Tourism Policy to Boost Tourism in the State. The policy works at improving the economic condition of the people of the State. The Policy Documents are being sold at a price of Rs 300/- *(Govt frames new tourism policy, BL, 13/2/01)*

In a move likely to speed up Implementation of Tourism Projects in the Country, the Tourism Ministry has decided to give Central Funds earmarked for the sector directly to State Tourism Corporations (STCs) instead of giving it to State Governments. A taskforce headed by Tourism Secretary M P Bezbaruah to reformulate the guidelines of the Central Finance Assistance Scheme for Tourism Projects by incorporating necessary amendments has been set up. STCs had been demanding direct control over Central funds for a long time, as most state governments did not release the funds on time. The Tourism Ministry has decided

to cancel all projects that had been approved in the Seventh Plan but were yet to be implemented and use the funds for new projects. The Ministry has also fixed a time-schedule for approval of projects and release of funds. Forty-five days each has been allotted by the Government for listing of priorities, submission of proposals from State Governments and release of first instalment of funds. *(Central funds for tourism projects via STCs, Amiti Sen, FE, 19/2/01)*

Union Home Minister LK Advani has called for the removal of unnecessary restrictions on travel in India in order to boost tourism in the country. He pointed out that unnecessary restrictions on domestic travel was coming in the way of full realisation of tourism potential and there was an urgent need to unshackle the industry from all inhibiting rules. The Home Minister has started discussions on removing the restricted area status from various northeastern states. While restrictions have already been removed from certain areas in Sikkim, a dialogue is on going with the Arunachal Pradesh Government for the purpose. *(Advani for removal of curbs on travel, FE, 23*

The Union Minister for Tourism and Culture has called on the South Asian Nations to embark on a Tourism Reform Programme and stressed on the need for chalking out a road map so that the region could attract more international tourists. Addressing the South Asian Tourism Ministerial Summit on Joint Marketing and Promotion, Mr Kumar said that attempts should be made to finish the process by 2003, which was the 'Visit South Asia Year'. The Minister said that India was willing to co-operate with any country to promote tourism.

The Secretary-General, World Tourism Organisation, Mr Francesco Frangialli, said that the Organisation has extended its technical assistance to India in various forms. He stated that they had just completed a master plan for Andhra Pradesh, and are currently fielding a mission to Nagaland for the formulation of a sustainable tourism plan. Besides, their consultants would also travel to Kerala for the formulation of a marketing plan for the State. *(Reform tourism, S. Asian nations told, BL, 24/4/01)*

Another proposition put forth during the summit was that the SAARC countries should introduce a common travel permit system on the lines of 'Schengen' visa system prevalent in European countries for easy access to countries within a region. ASEAN is believed to be mulling the introduction of the system. The Schengen system would help in removing the ambiguities in the types of travel documents that would be carried by the tourist, as there would be uniformity. *(SAARC nations urged to ease travel procedures, BL, 5/5/01)*

With the number of Indians travelling to the US expected to rise to one million by the next two years, the Embassy has made the process of issuing visas user-friendlier. The computerised counters are to collect the applications, process them online, send it to the embassy where they will be screened and then send out by courier/ speed post to the applicants. *(Procedures for US visa simplified, DH, 17/7/01)*

The Indian Government has decided to allow for larger movement of tourist charters benefiting both inbound and outbound traffic. It has allowed Indian tour operators, travel companies and hotels to operate larger aircraft to international destinations lifting the earlier restriction of using aircraft with a maximum of 30 seats. It has also opened up close to 30 airports in India, facilitating direct travel to the tourist destination. *(Govt move widens ambit of flight charter business, Girish Rao, ET, 20/7/01)*

The Tourism Ministry is working on an action plan to deal with the slowdown in the sector subsequent to the terrorist attacks in the US. The Ministry has called representative from the travel trade to discuss on such matters *(Action plan afoot to deal with tourism slowdown, FE, 28/9/01)*

As a part of the action plan, the Department of Tourism has asked all embassies and high commissions abroad to project India as a safe and peaceful destination. The Department also plans to give a major Boost to the Domestic and Regional Tourism. *(Efforts to project India as a safe destination on, Raja Awasthi, ET, 30/9/01)*

Excepts from an Interview with V K Duggal, Director General Tourism

What is the strategy you are planning now to combat and bring our tourism industry from this down trend?

We are looking at a three-point strategy. The first part of this is to convey to potential travellers in all the markets that India is continuing to receive thousands of visitors everyday and that the situation is absolutely normal, safe and secure. Secondly, we are looking at giving a boost to regional tourism, because the arrivals from the West have slowed down to some extent. The initial reports indicate this. Also, thirdly, promoting domestic tourism will be of great help to the industry.

It is estimated that this financial year, the loss to the industry because of the crisis after the Sep 11th incidents alone could be more than Rs 600 cr. Is the government planning any assistance by way of concessions etc for the industry?

We have not received any request as yet from the industry for any such assistance or concessions. Their earlier demands are under consideration and as a matter of fact, on some of these actions have already been taken. These include the reduction in the monument visiting fee and action is at hand in respect of some other demands also.
*(India is normal, safe and secure, Raja Awasthi, ET, 3/10/01)*

In the aftermath of the terrorist attack in the US, the Government has decided to set up a special tourism promotion task force to assess the impact of the incidents on Indian tourism and chalk out .an action plan for sustained growth of this major FE sector. This was decided at a meeting attended by the Union Minister of Tourism, Tourism Secretary and representatives of the travel, tourism and hospitality industry, airlines, business associations and other government officials. It was also proposed that a small group comprising the travel trade, the hospitality industry and airlines be formed to bring travel writers and tour operators to India to get a first-hand feel of the situation on the ground. Industry representatives also demanded rationalisation of taxes, tax exemptions and other concessions in view of the declining trend in tourism the world over. *(Task force to assess tourism scenarios, BL, 5/10/01)*

The Special Tourism Task Force, set up to deal with the impact of the terror strikes in US on tourism, has decided to undertake aggressive marketing campaigns in Japan, Australian, Korea, Taiwan and Southeast Asian countries. A package is being worked out by the tourism industry with the help of airlines and the hospitality industry to be sold during road shows to be conducted in these markets in the coming weeks. At the first meeting of the Task Force, it was decided to

carry out publicity campaigns and bring in travel writers groups from these countries to dispel the impression that India was near the action scene in Afghanistan and project it as a safe destination. *(Tourism marketing campaign, BH, 18/10/01)*

Excerpts from an interview with the Union Tourism Minister, Mr Jagmohan

Q) What are future plans for promoting tourism?

A) I am thinking of developing specific circuits, say around Ajanta-Ellora, VaranasiSarnath-Bodhgaya-Rajgir-Nalanda. Lakhs of Japanese will come if there are proper facilities. Another circuit could be Ladakh with its monasteries. If we can combine this into a package thousands will come. I am also thinking of linking all the places Vivekananda went to, in a sort of Vivekananda yatra. Other circuits are possible too. We need to think on new lines. I am having regular meetings with travel and tourism associations I am also thinking of creating tourism police force, to help people. States would have to do this themselves but we could first try it out in the Union territories. I don't yet know whether this will be possible or not.

Q) Industry has suggested that one way of promoting domestic tourism would be for the government to remove the restriction on leave travel concession?

A) This would be an artificial boost; it is, after all, government money. It could be one option but it would be the easy option. Instead, if we improve things... if we do something solid, tourism will pick up. It is a question of creating the atmosphere.

Q) Industry has been seeking concessions as incentive, particularly after the Sept 11th strikes in the US. What is the position on these?

A) They want cuts in expenditure tax, rationalisation of taxes from one state to another, income-tax concessions on investment, reduction in duty on liquor. We have recommended most of these to the finance ministry.
*(Tourism's New Guide, Chandrika Mago, TOI, B, 29/10/01)*

Inaugurating the Conference of CMs and State Tourism Ministers, PM A.B.Vajpaypee has announced setting up of a National Tourism Advisory Council for continuous interaction among various contributors to successful implementation of tourism policy. He has also urged all the states to also follow suit. The proposed council will have representatives from the central and state governments, members of Parliament, industry representatives and eminent public figures. The CMs and Tourism Ministers today almost unanimously approved inclusion of tourism in the concurrent list of the Constitution and also by and large expressed agreement with the draft of the new tourism policy. *(Exploit tourism potential: PM, TH, 31/10/01)*

The apex chambers of Commerce and Industry have also welcomed the move to set up the **Tourism Advisory Council**. It is felt the council would help in bringing about rationalisation in the tax structure, removing anomalies and bring about simplification of procedures. The council will give the much-needed fillip towards continuous interaction among various players of the tourism sector. *(Chambers welcome formation of new tourism council, BL, 31/10/01)*

Hit by the global event after the terrorist attacks, India is looking eastward to countries like China, Japan, Taiwan and South Korea to help revive the tourism economy. In keeping with the new line of thinking to encourage tourist traffic from nearby Asian countries, Tourism Minister Jagmohan would leave for China to pursue talks for seeking a most-preferred destination (MPD) status. China has so far conferred MPD status on a dozen countries including Thailand and Singapore. An MPD status by China "would hopefully pave the way for a direct air link between the two countries which would boost not only tourist traffic but also business. The Minister is also planning to visit Cambodia later to "open new markets and channels to boost short-haul travel". *(India looking east to boost tourism, TOI, B, 4/11/01)*

After a series of meetings, India has expanded its 3-point strategy to a 7-point strategy to counter the adverse conditions faced by the tourism industry and build a reputation for ethical trade and business practices.

- Steps would be taken to propagate India as a safe and secure destination.
- Step-up marketing in the Western and Northern world and break new grounds in the East and South, particularly with regard to China, Korea, Japan, Taiwan, Singapore and Australia.
- Special attention would be given to Domestic Tourism, particularly Tourism Connected with Pilgrimage.
- The New Facilities and Infrastructure thus created would be used to serve as a backbone for International Tourism.
- Strong action will be taken against those who failed to deal with the touts, beggars and cheats.
- Radio taxis will be introduced in all metropolitan centres that would go a long way in facilitating tourists to reach their destinations safely and comfortably.
- Special Tourists Circuits were being worked out like Ajanta-ElloraDaulatabad-Flephanta-Mumbai, Varanasi-Sarnath-Bodhgaya-Rajgir-Nalanda-Vaishali, Vaishnodevi-Leh-Hemis and Haridwar-Rishikesh-Badrinath-Gangotri-Lap of Himalayas.

The Indian Government has also signed a pact with China. The two countries would have direct air-link called **'China-Air Service'** for which India has suggested Shanghai-Mumbai-Sharjah or Beijing-Delhi-Sharjah as two alternative routes. This is an effort to explore larger opportunities for Indian Tourism in the East. *(7-point plan ready to boost tourism, BL, 17/11/01)*

In order to accelerate Development of Tourism Infrastructure the Public Accounts Committee of Parliament has recommended that funds be released directly by the Union Ministry to the implementing agencies of States to avoid possible diversion or delays.

Further, the committee has called for the lifting of the moratorium on LTC to Government employees so as to give a Boost to Domestic Tourism. The Committee, which submitted its 26th report on 'Development of Tourism Infrastructure' to the Parliament, has also called for monitoring of all projects sanctioned for Development of Tourism Infrastructure.

Besides, it has sought rectification of the loopholes and shortcomings in the implementation of various schemes. The schemes aim at ensuring comfortable and moderate accommodation to tourists at reasonable rates through construction of Yatri Niwas, tourist bungalows among others. Under the scheme, the State Governments had been receiving Central Assistance on a cost-sharing basis.

The Committee believes that Tourism Promotion, instead of being viewed as a source of revenue, deserves consideration as a tool of National Integration, Employment Generation, as a possible means of building global goodwill and to disseminate better understanding of India. *(Avoid delays in tourism promotion projects: PAC, BL, 12/12/01)*

There is a move to further decentralise the issue and receipt of passport application forms through the offices of Deputy Commissioners and Superintendents of Police. Addressing an interactive meeting organised by the travel and trade segment of the Federation of Karnataka Chambers of Commerce and Industry, Mr Bagchi said passport application forms are now issued and accepted at 18 Speed Post counters all over the State including three in Bangalore city and hence it is not necessary for an applicant to come to the Regional Passport Office. In addition, the RPO has two extension counters in Mangalore and Gulbarga. Further, the Passport Office now also has a scheme for on-line registration, but this facility is grossly under-utilised as only 10 to 15 on-line registrations are made every day.

Mr Swamy, President, FKCCI has requested that submission of passports by travel agents on Wednesdays be allowed as is done all over India. *(Passport office plans further decentralisation, DH, 19/12/01)*

**B20 Tourism Legislation, Rules, Regulations, Acts**

Entry fee to tombs and historical monuments will soon be rationalised in keeping with demands of tourists and domestic tour operators. The Tourism Ministry is working out a fee package that will give discounts to tourists who visit several monuments in the country. The ministry is making a package for one, two and three days, one week and one month to rationalise fee structure. Concessions such as free entry for students and for those below age of 14 will be given. The entry fee was raised from Rs 2-4 to Rs 5-10 for domestic tourists and $5-10 for those from abroad. *(Tourist-friendly entry fee to monuments, IE, 14/2/01)*

**B30 Indian Tourism Development Corporation**

Amitabh Kant has been brought by the centre into the Union Tourism Ministry as joint secretary and chairman-managing director of the ITDC *(Amitabh Kant appointed new CMD-ITDC, Girish Rao, ET, 27/7/01)*

*Disinvestment*

Government has received 175 applications from various bidders for the first tranche of disinvestment in eight major hotels owned by ITDC. In December 2000, the Government invited EoI for ITDC's hotel chain, Ashok Group of Hotels located in Delhi and Bangalore, for operating on a long-term structured contract on a lease-cum-management basis. Government had also invited bids for the sale of Ashok Hotels properties located in Agra, Madurai, Manali, Bodhgaya, Hassan and Mamallapuram. The Disinvestment Commission had recommended divestment of up to 74 per cent of ITDC's equity in the current fiscal by leasing out hotels, demerger of ITDC hotels in small towns and spinning them into separate companies before the sell-off. *(ITDC divestment: 175 bids received, DH, 16/2/01).*

With the completion of most of the formalities for the first tranche, the Government has gone ahead and invited bids for the second round of disinvestments in ITDC properties. The properties for which the bids are invited would be either sold or leased on a long-term. *(Bids invited for second round divestment in ITDC, BL, 9/2/01)*

The Government has appointed Lazard India as advisors to the Federal Government on the sale. Bidders are required to have a net worth in the range of 120 million rupees to one billion rupees depending on the hotel property. ITDC operates six luxury, 15 budget and five comfort category hotels across India and plans to privatise all 26 hotels in phases. *(More hotels on the block, TOI. M, 17/2/01)*

One the one hand the Government is in full swing with the proceeding of the disinvestments, while on the other, the All-India ITDC Workers Federation (AIIWF) has been perturbed as 17 hotels have already been put up for disinvestments and they are yet to receive an intimation on what is to become of them post sell-off. The Federation has also alleged that the Government had deliberately kept the corporation without a full-time head for last three years to devalue assets so that it can be disposed off cheap. It was during these years only that the corporation has suffered losses. *(ITDC union plans to move court against management, FE, 3/3/01)*

The Cabinet Committee on Disinvestment has decided to demerge ITDC into a number of companies, each representing a separate property owned by the Public Sector Company. The New Entities, acting as shell companies, will then be sold to bidders individually or collectively. A separate reserve price will be set for each property on sale. The Government has decided to go for an outright sale of all its properties except the ones in Delhi and Bangalore (FE, 6/7/01)

The groundwork for divest nine ITDC properties, belonging to the second tranche, has started and the sell off process is expected to begin immediately after the eight properties in the first tranche are sold in October. The net profit of ITDC in 2001-02 is estimated at Rs. 14.28 cr against a net loss of Rs 14.28-cr during the previous year. *(Second tranche of ITDC sell off gets going, Amiti Sen, FE, 12/7/01)*

The Disinvestment in ITDC has come under a cloud with the National Buildings Construction Company (NBCC) seeking the Centre's permission for initialising a winding up proceedings against the firm for non-payment of dues. (NBCC seeks govt approval for initiating winding up procedures against ITDC, Rajeev Jayaswal, FE, 5/8/01)

While at the same time the board of ITDC has cleared the management agreements for three premier properties in New Delhi and Bangalore. These properties would be handed over to private parties on a long-term structured contract on a lease-cum-management basis. *(ITDC board clears agreements for Bangalore, Delhi properties, FE, 29/8/01)*

The Government has initiated the demerger process of ITDC, which is a statutory prerequisite to divestment in the Corporation. The Government had already brought out the advertisement seeking meetings with ITDC creditors. After demerger all the 31 properties of ITDC will become separate entities. Soon after the completion of formalities for the ITDC demerger, the Government will start the sale of the first tranche of ITDC hotels. The Tatas-owned Indian Hotels Company holds 10-cent equity in ITDC. The Tatas reported to have given their consent to the Government for the ITDC Privatisation. *(ITDC demerger process begins, Ravi Kapoor & Amiti Sen, FE, 15/10/01)*

The Government has finalised transaction documents for the sale of 13 ITDC properties, HCI and also the Privatisation of HZL. The Price Bids for these will be invited next month. All the properties of HCI except that in Srinagar will be divested and the proceeds from these would be ploughed back into AI for

strengthening India's International Carrier. A total of 115 potential bidders, including 97 for ITDC have been identified for the 13 properties. *(Centre to invite price bids in November, ITDC, HCI and HZL divestment, DH, 24/10/01)*

The Union Government has announced a clear time-table and other bidding details for the first round of Privatisation of Eight ITDC properties spread cross the Country in a bid to impart transparency to the Disinvestment Process. According to the financial biding schedule drawn up by the Government, the price bids would be invited first from November 2 for 6 of the eight properties belonging to ITDC's hotel chain. In each of these cases, the Government will sell the entire equity in ITDC aggregating 99.97 per cent being the combined share holding of the Union Government and Indian Hotels Company Ltd. *(Time-table for ITDC bidders, P Manoj, BL, 1/11/01)*

The Government has received a lukewarm response from the bidders to the divestment plan in first trance of eight properties of ITDC. While ITDC's prime property at Delhi -Hotel Ashok- and the one at Manali received no bids, the remaining six attracted few takers. The properties which are not cleared by the Cabinet Committee on Disinvestment (CCD) for want of bidders or for being lower than the reserve price will be put up again for bidding when the second tranche of ITDC properties are put up for sale. *(CCD meet today to discuss IPCL, ITDC disinvestments, BL, 13/11/01)*

| Name of Hotel | Buyer | Reserve Price (in Cr.) | Agreed Price (in Cr.) | Sale/ Lease |
|---|---|---|---|---|
| Hotel Ashok Bangalore | Bharat Hotels | 3.4 | 39.41 | Lease- 30 years |
| Hotel Ashok Agra | M/S Mohan Singh | 3.26 | 3.93 | Sale |
| Hotel Ashok Madurai | Sanghu Chakra Pvt Hotels Ltd. | 3.64 | 5.48 | Sale |
| Ashok Bodh Gaya | Lotus Nikko Hotels | 1.67 | 2.01 | Sale |
| ITDC Hassan | Malnad Hotels & Resorts | 2.19 | 2.51 | Sale |
| Temple Bay Ashok Beach Resort, Mamallapuram | G. R. Thangamaligai | 5.18 | 6.8 | Sale |

*(Hotel Ashok in Bangalore to be leased for 30 years, IPCL: Govt to sell 51% stake, DH, 14/11/01)*

The Hotel Ashok Employees Union and All India ITDC Workers' Union (AITUC) burnt the effigies of Prime Minister Atal Behari Vajpayee and Tourism Minister Ananth Kumar in front of Hotel Ashok today in protest against the leasing out of the hotel in Bangalore and the outright sale of ITDC hotels in the Southern Region of the Country. The Protesters charged the Government with not calling the unions for negotiations and going ahead with the finalising process. Their repeated appeals of looking into their problems, to the Prime Minister, Minister for Tourism, Minister for Disinvestment and Chairman & Managing Director, ITDC, have fallen on deaf

ears. The General Secretary of the Hotel Ashok Employees' Union Mr G Manjunath said this was the first case of recent disinvestments where 100 per cent equity had been handed over to the private party. Also, uncertainty of continuance of jobs of the employees looms large, as it appeared that the jobs would be protected for a period of one year only, after which the buyer may restructure the whole set-up and may give the employees an exit option. *(Unions not involved in talks; employees, leasing out of Hotel Ashok in Bangalore, DH, 18/11/01)*

A division bench of Madras High Court restrained the Centre from proceeding further with its proposal to sell its stake in two ITDC hotels in Tamil Nadu as part of its disinvestments policy. The two hotels — Hotel Madurai Ashoka Pvt Ltd., Madurai, and Temple Bay Ashok Beach Resort at Mamallapuram — are proposed to be sold to Sangu Chakra Private Ltd., Tiruchi and G.R. Thangamaligai Private Ltd, Chennai, respectively. The judges issued notice to the Centre and ITDC among others. The petitioners contended that besides the future of the employees being in peril, ITDC under the guise of disinvestments is handing over hotel properties for less than the market value. *(HC restrains ITDC sell-off in Tamil Nadu, BL, 21/11/01)*

*Activities*

ITDC is negotiating with AI to supply duty free merchandise for in-flight sales. The corporation, which is targeting revenues of Rs 115 Cr this fiscal from its duty free division, is also pushing for institutional sales to customers like embassies, diplomatic missions, hotels, etc. *(ITDC in talks with AI to sell duty free goods, ET, 23/7/01)*

ITDC plans to work towards improving the working environment in the corporation and diversifying its activities. As part of the initiative to attract more business, ITDC plans to send out more than 15,000 mailers to various chief executives and corporate to inform them about facilities the hotel chain has to offer. Officials indicated that among the areas, which could be looked into, is ITDC providing packages to the 22 Heritage Sites spread across the country. *(ITDC may diversify to boost business, BL, 31/7/01)*

ITDC is poised for a major recast. Termed as **'Operation Turnaround'**, ITDC has chalked out strategy to expand its business activities into consultancy, event management, railway catering and food plaza business besides bringing major changes in its marketing and human resource activities. (ITDC in for a major recast plans foray into consultancy, Rajeev Jayaswal, FE, 8/8/01)

As a part of this turnaround ITDC has decided to enter the Rs 3,000 cr. railway catering service segment *(ITDC to enter Rs 3000-cr railway catering segment, Jyoti Mukul & Rajeev Jayaswal, FE, 7/8/01)*

It has also launched the high-speed broadband Internet services using Digital Subscriber Line (DSL) technology for each of its 550 rooms at Ashoka Hotel, Delhi. The service will provide additional Fax and Line Facilities in the rooms when needed and telephone lines will remain free for incoming and outgoing calls. *(ITDC hotel gets Internet service, BL, 11/8/01)*

Loss-making ITDC, hit by foreign booking cancellations, after terrorist attacks during September is turning inward to make good its additional losses. The focus, post-World Trade Centre strikes is the domestic tourist. ITDC and Delhi Tourism and Transportation Development Corporation (DFTDC) came together in a pact where by DTTDC will promote ITDC's hotel facilities and other tourist packages.

Hit by the 60% foreign booking cancellations for October, ITDC is hooking at special, affordable packages from October to lure the domestic tourist. There are separate packages for students and senior citizens and Kovalam Ayurvedic vacations. A plan, has been "almost finalised", for a special railway information and reservation counter for confirmed reservations and packages and a linkage between duty-free shop purchases and a 25 per cent discount at ITDC restaurants. In this venture with DTTDC, ITDC will offer special room rates to DTTDC from October to March. The two sides hope this venture, the first of several, will be beneficial to both of them. *(ITDC turns to domestic tourists to recoup losses, TOI. M, 1/10/01)*

ITDC, which is looking for new areas of interest, now that all its hotels have been lined up for Disinvestment, is planning to open fast food centres at petrol pumps and is working on one such agreement with Bharat Petroleum Corporation Limited (BPCL). *(ITDC plans fast food outlets at BPCL petrol pumps, Amiti Sen, FE, 12/10/01)*

Adopting an aggressive marketing strategy to promote duty-free shops, ITDC has reduced prices of a number of products sold at the shops and has asked its marketing team to propose more price cut if required. ITDC has duty-free-shops at Delhi, Mumbai, Chennai, Calcutta and Thiruvananthapuram airports. It is also working on opening new shops at Bangalore, Hyderabad, Ahmedabad, Calicut, Goa and Varanasi Airports. The duty-free shops earned a profit of about Rs 90 cr in 2000-01 and Rs 83.5 cr during 1999-2000. After the disinvestments of all ITDC hotels, the duty-free shops would be the main revenue earner for the corporation. *(ITDC lowers prices to promote duty-free shops, Amiti Sen, FE, 16/10/01)*

The Union Tourism Minister has asked ITDC hotels, to stop Complimentary Membership of the Hotel Health Clubs and Swimming Pools and refuse any oral requests from Departments for Meals and Parties. In addition, he has also ordered money to be recovered from ITDC officers staying in hotels without any entitlement. If all dues were recovered ITDC would be richer by Rs 21-cr. *(ITDC told to stop giving free meals, Chandrika Mago, TOI, D, 6/11/01)*

ITDC and Central Cottage Industries Corporation ltd. (CCIC) signed a MoU for mutual collaboration in the promotion and sale 'of products and services in New Delhi, Bangalore, Chennai, Kolkata and Mumbai. The MoU will see CCIC display and sell items at the Ashok Travels and Tours (ATT) counters at ITDC hotels, to enable the guests to take back Indian souvenirs. Apart from this, local sightseeing tours offered by ATT will terminate at CCIC emporiums various cities. As a reciprocal arrangement, CCIC will provide counter space in ITDC in the lobby of Cottage Industries Emporium. With this MoU, tourists will now be able to make ATT bookings through CCIC showroom and also make hotel reservations through a computerised network. *(ITDC, CCIC sign MoU for sales promotion, BL, 23/11/01)*

Given the uncertainty surrounding the disinvestments of 26 of its hotels, ITDC is trying to cut its losses, looking to convert its divisions into business units and seeking a foothold in new areas of business. It is going to State Governments with offers to take up projects, trying to get into Event Management, private hotels, it is seeking a toehold in the construction business, looking at food plazas on railway stations, motels and fast food joints at petrol pumps and even joint ventures in restaurants abroad.

ACCESS- **Ashok Conferences, Conventions, Events and Support Services** — is a new event management group which will handle projects ranging from conferences

to weddings on a turnkey basis. **Ashok Reservations and Marketing Division** is the new name of its marketing and hotel sales division. The corporate communications division becomes **Ashok Creative** while the consultancy and international trade divisions also get the Ashok brand. The new **Ashok Consultancy and Engineering Division**, for instance, would look at the whole gamut of tourism and consultancy projects. *(ITDC looks towards newer horizons, Chandrika Mago, TOI, B, 6/12/01)*

The ITDC is Contemplating Manufacturing and Marketing of Chocolates under its own Brand name through its Duty-Free Shops as part of a strategy to grow after disinvestments of its Hotels. A Concept Paper for entering Chocolates Manufacturing was being prepared, adding that ITDC would market the goodies under the Brand Name **'Ashok'**, a name associated with the Hotel Chain. Mr Lohani said that he would seek help of chocolate experts to enter the arena and initially ITDC would seek to capture 25% of the business at the duty-free shops. *(After hotels, it's chocolates for ITDC, BL, 22/12/01)*

**B31 State Tourism Development Corporations (TDCs)**

During the year, a number of States have come together to sign MoUs between themselves. The MoUs generally address the Promotion of Tourism between the Two States.

The MoUs signed are:

a. Rajasthan and Karnataka *(Rajasthan, Karnataka set to ink MoU to promote tourism, FE, 24/7/01)*
b. Rajasthan and Andhra Pradesh *(RTDC to sign MoU with AP tourism board, BL, 2/10/01)*
c. Karnataka and Delhi *(State, Delhi sign MoU on tourism, DH, 17/11/01)*
d. Goa with Karnataka, Kolkata, Delhi, Kerala and Andhra Pradesh *(Goa and Karnataka sign MoU to boost tourism, Devika Sequeira, DH, 8/12/01)*
e. Karnataka and Kerala *(State, Kerala sign pact on tourism promotion, DH, 15/12/01)*

RTDC is also in talks with the domestic carrier IC as well as a Foreign Airline to introduce **'Palace-on-Air'**: ***a luxury aircraft*** that will promote high-end premium tourism in the state. It hopes to implement this plan by 2003. *(RTDC working on 'Palace-on-Air' plan, FE, 25/7/01)*

Karnataka's heritage sites at Hampi, Badami and Bijapur may soon become accessible to upmarket tourists in Goa through a helicopter service. The GTDC, which is assuming a more aggressive role as a facilitator and competitor in the tourism sector, is seriously negotiating such a proposal in collaboration with the KSTDC and some travel operators. *(Copter rides from Hampi to Goa under study, Devika Sequeira, DH)*

The Delhi Travel & Tourism Development Corporation has decided to utilise the proceeds from country liquor sales to provide infrastructure in Delhi. DT&TDC is working at increasing country liquor sales, as more sales would mean more infrastructures. A strategy is already in place to make the vending machines more customers friendly. And the proceeds of this would be utilised for improving the lighting, increasing accessibility and providing drive-in facilities. *(Glamorous Liquor Vends On The Anvil With Staff In Benetton Uniforms! How would you like your drink, sir? Manika Gupta, ET, 23/12/01)*

**B40 Bilateral and Multilateral Agreements of Indian Government in Tourism**

Panama's Vice-President, Mr Arturo Vallarino, has invited Indian Business to make use of his country's favourable trade, financial and shipping environment as a gateway to North and South America. The four pacts that were signed between the two Governments were on agriculture, IT, Science & Technology and Tourism. *(Panama seeks Indian investments, BL, 6/2/01)*

India and Nepal have agreed to set up a working group to identify areas of co-operation in Tourism, which may include Combined Tourism Circuits, infrastructure developments, and Joint Marketing of Tourism Products. Both the Countries will also sign a Tourism Agreement, which would provide a task force for implementation and review progress once in six months. During the meeting, held between both the sides it was decided to form a **'Buddha Circuit'** including the birth place of Gautam Buddha in Nepal and his work places in India, **a 'Religious Circuit'** including Pashupatinath and Muktinath in Nepal and Kashi in India. An **'Adventure Circuit'** was also proposed in view of keen interest in Mountains and Rivers of Both the Countries World over. These circuits will be jointly marketed the world over. *(India, Nepal to set up a working group on tourism, DH, 25/4/01)*

India and Bangladesh have agreed to sign a New Visa Agreement. Visa facilities were upgraded to make people-to-people contacts between the Two Countries easier. The main point of the new visa regime is that Single Entry Tourist Visa will be valid up to three months. The formalities for extension of Visa on Medical grounds will be made simpler. Student visa will be given for the entire period of study, so that time is not wasted in getting visa extensions every few months. Long-term Multiple Entry Visa for Professionals Investors, Work Permit Holders, Businessmen and Research Scholars. There will be provisions for flexibility in case of change of route. *(India and Bangladesh liberalise visa rules, TOI. M, 25/5/01)*

The Indian Government, partnering with Bangladesh and Thailand is to take up new initiatives, to promote greater Traffic of Tourists between these Countries. The Thai and Indian Governments are likely to ink a Formal Agreement in the coming months. At the same time, tour packages between India and Bangladesh are also being finalised. *(Fresh impetus to see more tourists to Bangla, Thai, ET, 25/8/01)*

The US Trade and Development Agency (TDA) see its assistance in India growing in the areas of Environment and Aviation. In Environment, one sector that is likely to see increased activity is water supply and treatment, wastewater treatment and desalination. In the aviation sector, the TDA is working with the AAI on a communication, navigation, surveillance and air traffic management. It will also look at airport security. *(US assistance for environment, aviation, R Balaji & N Ramakrishnan, BL, 25/10/01)*

## C - TOURISM ECONOMY, INDIAN ECONOMY

**C00 Tourism Economy and Tourism Infrastructure**

According to a study conducted by the Centre for Monitoring Indian Economy (CMIE), the number of foreign tourists arriving in India has gone up from 20,26,743 in April-January 1999-2000 to 21,52,848 in the corresponding period, 2000-2001. Forex earnings from Inbound Tourists in the same period have pushed up from $2,443-mn to $2717-mn. The higher earnings are a result of increase in arrivals combined with the higher per capita spending of the tourists in general. The change in pattern of spending can also be attributed to some new trends in the composition of tourists. While India still continues to draw the vast Majority of its Tourists from Europe, the Inflow of Tourists from Europe seems to have virtually stagnated. Significant growth in volume of tourist inflow has been witnessed from Canada. *(All's bright on tourism front, Sanjukta Mitra, ET, 13/3/01)*

For the first time the balance of India's Tourism Account may soon slip deficit. There are broad indications of this from the foreign travel income data generated by the Reserve Bank of India (RBI). The Expenditure on Travel Abroad in US dollar terms is growing much more rapidly than the value of Tourism Receipts. According to the figures, during the last decade the Foreign Exchange Income Earned the Travel Industry is down by 36 percent to US$897 million (Rs 4,171 cr) in 2000 from $1,408 million (Rs 6,547 cr) in 1991. The last four Budgets have chosen to overlook the basic problem of multiplicity of taxes, which increases the Travel Cost and Stay for a Tourist in India. On an average around 3.7 million Indians Travel Abroad against Tourist Arrivals of only 2.68 percent annually. Thus, the deficit is due to the increase in outbound travel and slowdown in inbound travellers. *(High costs mar destination India, Meena Nichani, ET, 15/3/01)*

The Parliamentary Standing Committee on Transport and Tourism has expressed its view that the decision to suspend Leave Travel Concession (LTC) for two years for Government employees will definitely have an adverse impact on the Domestic Tourism whereas the exchequer may not be benefited since the LTC involves only the transfer of money from one head to another.

Further, the Committee has recommended that to encourage Private Sector participation in tourism, the Government must try and remove the obstacles faced by them and ensure early implementation of the single— window clearance system for private investors. It has also appreciated the efforts made by the Governments of Gujarat, Haryana and Rajasthan, which have set up an administrative mechanism to expedite the clearance of tourism projects. *(Quick decision sought on ITDC divestment, BL, 28/4/01)*

The Centre has extended its austerity drive beyond the Government Sector. In an unprecedented measure, the Finance Ministry has directed all the Public Sector Banks to Suspend Leave Fare Concession (LFC) or LTA facility for a Period of Two Years.

Based on an average outgo of Rs 10,000 per employee/officer covering nearly two lakh persons in two years, the banks are expected to save substantially on the front. Last month, by way of notification the Government Suspended the Benefit for two years for LIC and the four subsidiaries of GJC. It has also come into force in RBI.

Now, it has been enforced in the banking industry. The United Forum of Bank Unions (UFBU) representing over 13 lakh employees and officers has protested

against the decision. *(Govt directs banks to suspend LFC facility for two years. Bankmen up in arms, accuse govt of sabotaging there mutual pact with IBA, V Balasubramanian, ET, 28/6/01)*

The Share of Services in India's total exports has gone up from under 20 per cent in 1990-91 to over 29 per cent in 1999-00. This share is higher than the global average. At $1,350-bn, commercial services exports accounted for about one fifth of the world's total exports in 1999.

RBI data on composition of services exports show that over one fourth of the total income now comes from software services ($4 bn in 1999-00). The second largest item is receipts from travel services. But travel receipts have remained almost stagnant at around $3 bn for the last three years due lower growth in Foreign Tourist Arrival (in fact, of late, the outflow on account of Indians travelling abroad has risen faster). *(At the world's service, ET, 24/5/01)*

A report of the Pacific Asia Travel Association (PATA) on India's Outbound Traffic elaborates that the Indian outbound travel will continue to grow at 6.2 % a year over the next five years, a rate maintained over the past decade. The report also states that the balance on India's Tourism Account. This is soon going to go into deficit.

Successive draft Tourism Policies since 1993 have envisaged 3 million tourist arrivals by the turn of the century. But no in-depth study is available with the MoT to figure out the reasons why this target was not achieved. Some of the factors stated in the report for the tardy growth in tourist arrivals are:

1) Absence of a National Tourism Promotion Board recommended as far back as 1988 by the National Committee on Tourism;
2) Inadequate promotional and marketing measures, particularly niche marketing thrusts;
3) Lack of comprehensive market segment surveys;
4) Inadequate infrastructure (including air seat capacity, shopping and wayside facilities, roads etc); and
5) Inadequate safety and hygiene measures and meeting the requirements of the changing and demanding tourists.

*(Tourism market: A case of unequal exchange, Madhu Suri, ET, 26/5/01)*

Gauging by the seriousness of the Haryana State Government to Woo Foreign and Domestic Tourists, efforts seem to be moving in the direction of opening up a number of casinos. While the State Government is keen to improve its economy by attracting tourists if and when casinos are legalised. This is also being looked at weaning away the prospective tourists who head for Nepal.

Slot machines have already been introduced in Goa. The Madhya Pradesh Government is also considering the idea to set up **Casinos at Key Tourist Destinations** in Khajuraho, Gwalior and Indore cities with the concurrence of the Hotel and Tourism Industry to generate interest and to **Increase the Stay of Tourists**. The Government wanted to permit wagering in hard currencies and expected that casinos would bring in **$32 million annually,** that Tourists would stay longer and contribute to the local economy. *(Haryana keen to fatten coffers through casinos, Rahul Kumar, ET, 27/5/01)*

The Eleventh Finance Commission has allocated Rs 45 cr for Development of Tourism infrastructure in Madhya Pradesh. The allocated fund would be used to develop tourist facilities at places such as Bhedaghat (Jabalpur), Mandla, Maihar,

Chitrakoot, Satna, Katni, Bargi and Barmanghat. Similar facilities will also be developed at National Parks in the State. The Union Tourism Ministry has also agreed to fund 16 new schemes for the Development of Tourist Residential Units, facility of water sports and refurbishment of monuments. Among the 16 schemes, the Chattisgarh State will implement two of the projects. *(Rs 45cr for tourism infrastructure, BL, 11/6/01)*

Foreign Exchange Regulation Act (FERA) has effectively been removed and been replaced with the new Foreign Exchange Management Act (FEMA), 1999, which came into effect from May 1, 2001. In the Foreign Exchange Management (Realisation, repatriation and surrender of foreign exchange) Regulations, 2000, the exchange that is drawn for travel abroad and the unutilised portion in excess of the limit up to which exchange is permitted to be retained should be surrendered to an authorised person within 90 days from the date of return, of the traveller to India, if the unspent exchange is in the form of currency notes, and within 180 days, if in the form of TCs. *(FEMA will facilitate organised development of forex market', BL, 16/6/01)*

According to a study conducted by the WTTC and Oxford Economic Forecasting, 'Tourism Accounting Satellite Research' the Indian traveller together is consuming leisure and business products and services to the tune of $16.3 billion. A figure that is estimated to grow to some $51 billion by 2011. This would imply an annual rise of 9.7 per cent by way of real growth, making Indians the fastest growing travel spenders in the whole world. Spends on this count by the Chinese would grow by 8.5 per cent annually, giving them fifth position in WTTC'S global standings. The Thais would grow a 5.5% and the Singaporeans at 4.8 percent.

This will take the per capita spending by Indians in Tourism Products and Services from $4.6 (in 2000) to more than $5.75 by 2011. *(Traveller No 1: Indians top global listing, Bottomline: Indians are the fastest growing travel spenders, Rohit Bansal, FE, 20/7/01)*

**The Research Report Ranks India 153rd in a sample of 160 in terms of relative Governmental Funding in Travel and Tourism.** India also falls short of the average relative spending of the countries like China, Singapore, Malaysia, Males, Indonesia, Nepal and Egypt. The study pegs China's spending 6,228 million for 2001, which is 10 times India's current spending ($599-mn). *(Govt spending on tourism inadequate, says survey, Sanjukta Mishra, ET, 3/10/01)*

Union Ministry is expecting the Hospitality Industry to add 25 million jobs and a whopping Rs 60000-cr wealth by the end of the Tenth Plan. The Ministry will also come out with short, medium and long-term policy frameworks for the industry to achieve this target. While the long-term policy would reckon with addressing issues concerning the sectors like airline capacity, infrastructure requirements, capital inflow, etc the medium and short term policies would be aimed at realistically assessing the various needs of the sector and implementing guidelines. *(Govt targets Rs 60000-cr. Revenue from tourism sector by 10th plan, FE, 15/9/01)*

The Indian Tourism Industry is reeling under the Impact of the Recent Terrorist Attacks on the US and the subsequent uncertainty created in South and Central Asia. Based on the travel and tourism industry's calculation of about 70 per cent bookings by in-bound foreign tourists in the forthcoming peak season have been cancelled. A survey conducted by FICCI estimates the loss to translate to around Rs 4,000-cr. The study also shows the foreign exchange earnings target if Rs 15,922-

cr from Tourism set for the year 2001-02 would be missed by a margin of 30 per cent. *(Tourism industry may suffer Rs 4000-cr loss, ET, 13/10/01)*

Persons going abroad on private travel or tours now need not get the endorsement of FE dealers on their passport for the exchange released. Till now is was mandatory for authorised dealers to endorse on the traveller's passport the foreign exchange released for travel and tourism. The RBI sent out a statement mentioning that the basis of this declaration given by the traveller regarding the amount of FE availed during the year, authorised dealers may release exchange for travel and private purposes. *(Travellers' forex procedure eased, BL, 25/11/01)*

**Tourism Infrastructure**

The Uttar Pradesh Government has prepared an Rs 1020-cr scheme for the Development of Tourism Infrastructure in the Buddhist Circuit that will be funded and implemented by the Japan Bank of International Co-operation. *(Rs 1020-cr scheme for tourism, BL, 20/9/01, B31/C00)*

**C01 Tourism Sector Budgets**

Budgetary allocation for the Tourism Industry has been fixed at Rs 155-cr for the next financial year, up from Rs 135-cr allotted in the current fiscal. According to sources, allocation for the industry was earlier fixed at Rs 150-cr. The forthcoming Budget for the first time might have a separate paragraph, which would be dedicated to the tourism industry. The Tourism Ministry was also looking forward to the sanctioning of several new schemes designed by it to Promote Tourism. *(Tourism outlay at Rs 155-cr, FE, 13/2/01)*

Planning Commission Deputy Chairperson K.C. Pant is learnt to have cleared the release of Rs 51-cr in plan funds for overseas tourism marketing, over-riding a 50 per cent cut decision by a commission worried about the way these funds were being used.

The decision comes from Union Tourism Minister Jagmohan requesting Mr Pant's intervention, promising a fresh look at the overseas marketing effort and restructuring exercise by March 31.

At the Government Level, the Tourism Department's 18 overseas offices were getting Rs 51-cr a year for the first four years of the Ninth Plan. This year, it was reduced to Rs 25-cr, the Commission feeling the need for a relook at these offices. The issue, it seems, could not be resolved at the bureaucratic level. So, Mr Jagmohan December 19 letter to Mr Pant, making essentially four points for restoration. One, rupee-dollar parity has become unfavourable, so actual remittances have gone down greatly. Two, activity has come to a "near standstill" at a time when competitors like Malaysia and Singapore have stepped up promotional efforts to fill the post-September 11 vacuum. Three, it's too late in the year to cut funds. Lastly, Mr Jagmohan spelt out his plans to establish brand equity based on the country's civilisation and culture. *(Rs 51-cr allotted for tourism, Chandrika Mago, TOI, M, 29/12/01)*

**C02 Foreign Investment in Tourism Sector**

The UK-based Forte Group of Hotels has outlined plans to introduce its leading budget hotel Brand Travelodge in India. The group plans to have 75 Travelodge by way of Joint Venture over a three-year period. India will be the only market outside UK to have Travelodges hotel brand. The Forte group will also be the First Foreign Hotel chain to have a presence through foreign direct investment

(FDI) in the country. *(Forte plans to open 75 Travelodges in India, Meena Nichani, ET, 29/1/01)*

Actual inflow of FDI into India rose to about $4.5 billion during the year 2000 as against $4 billion in 1999, a rise of 14.67 per cent. Fuels, Telecommunications, Electrical Equipment, Computer Software and Electronics, Transportation Industry Service Sector Metallurgical Industry, Chemicals, Food Processing Industries and Hotel and Tourism are among the sectors in which FDI approvals were provided. *(FDI inflow up 15 per cent in 2000, DH, 17/2/01)*

After Hilton's much talked about tie up with Sanjay Khan's Golden Palms Spa, it is the turn of Singapore based Banyan Tree Hotels & Resorts to tap the Bangalore recreation and Health Market by Joining Hands with Leading Developer Prestige Group for Rs 27 cr spa in the outskirts of the Garden City. *(S'pore co, Prestige plan spa in Bangalore, Girish Rao, ET, 17/2/01)*

The Group apart from opening up a spa in Bangalore is also planning to open a slew of spa cum resorts across the Country over the next 2-3 years. It is in the process of signing up a property in Delhi. It is also planning to develop one in the golden triangle (Jaipur-Agra-Delhi) region. Further, it has bagged the contract to do up all spas for the Oberoi Group in India. *(Banyan Tree Holds to open resorts in India in 3, Anubha Ghosh, FE, 7/4/01)*

Efforts are on to restore the Gardens of Humayun's tomb and the associated water systems as they original were. For this purpose, the Archaeological Survey of India (ASI) has entered into collaboration with Geneva-based Aga Khan Trust for Culture (AKTC) under the aegis of the National Culture Fund. This is the first time ever that the **ASI** has entered into a **collaboration with a private organisation** for the **'environmental development'** of one of its **protected monuments**. The AKTC has pledged half a-million dollars towards the project. *(ASI ties up with Geneva-based firm to restore gardens of Humayun' s tomb, Saurabh Sinha, TOI, M, 24/2/01)*

Berjaya Group of Malaysia has chalked out plans to enter the time-share holiday business in India with an investment of Rs 70.5 cr. The 7.7-billion Berjaya group is a Malaysian conglomerate with interest in hospitality, construction and recreation. According to plans drawn up by the company, Berjaya proposes to own, acquire, build, construct, take on lease, franchise, maintain and operate hotels and resorts and provide holiday accommodation. It would also act as Management Consultants and Advisers to Hotels, Resorts and Restaurants.

The Proposed Venture would be 100 per cent owned by the Berjaya group, with Berjaya Vacation Club Cayman holding 90 per cent stake. Berjaya Vacation Club Berhad, Malaysia would hold the balance 10 per cent. The Foreign Investment Promotion Board (FIPB) has already cleared the proposal. *(Berjaya eyes entry into timeshare holiday biz, Tina Edwin, ET, 12/4/01)*

The Union Cabinet took a Major decision by increasing Foreign Investment Limits in the Banking Sector as well as the Pharmaceutical, Telecom, Civil Aviation and Real Estate. The Cabinet decided to further liberalise the FDI policy for the Drugs and Pharmaceuticals, Telecom, Banking, Civil Aviation, Hotel and Tourism, Courier Service and New Township Development Sectors.

The Important decisions on disinvestments take today by the Union Cabinet include:
- FDI limit in telecom rose to 74 per cent from 49.
- 100 per cent FDI in mass rapid transport system in metros.

- 100 per cent FDI in courier services, hotels and tourism, development of townships, airports, pharmaceuticals.

*(100 P.C. FDI for Airport Projects, Defence sector opened up for private participation, FDI, TH, 10/5/01)*

In a bid to exploit the Tourism Potential in the State, the Union Government approved its first 100 per cent foreign equity in Agasthya Resorts and Tours Private Ltd (ARTP), engaged in Promoting Tourism. The Minister for Commerce and Industry, Mr Murasoli Maran, cleared the ARTP's proposal for **Hiking Foreign Equity to 100 per cent** from the existing 99 per cent at Rs 1 cr. Various other Hotel Chains were assured of increased investments. *(100 pc FDI for Agasthya Resorts, BL, 21/6/01)*

Indian Hotels Company Ltd. (IHCL) has initiated talks with the Singapore Airport Terminal Services (SATS) to form a Joint Venture for handling Hospitality Air Catering Business for Airlines. *(Tata-SIA joint venture in air-catering, TH, 19/7/01)*

The Central Government has cleared 29 FDI proposals worth Rs 135-cr mainly in the areas of electrical, engineering, tourism and merchant banking. The proposal approved by the Government in the Tourism Area was for Development of Leisure and Amusement Industry with 100% FDI to a tune of Rs 14.10-cr by Mohammed Al Otaiba Group Est of Abu Dhabi. *(Govt clears 29 FDI proposals worth RS 135-cr, DH, 22/8/01)*

International Travel House, which has acquired the exclusive franchise for North India from the US-based Gray Line, is to launch Gray Line Luxury Coach operations in India. They would at a later date look at extending the service to other Key Tourism Circuits including using Bangalore and Mumbai as a hub to launch tours in South and Western India respectively. *(ITH gets Gray Line franchise, Ashwini Phadnis, BL, 10/9/01)*

The Government has cleared 33 Foreign Direct Investment (FDI) proposals worth **Rs 380 Cr.** The Major Investment Proposals, cleared by Commerce and Industry Minister Murasoli Maran pertain to engineering industry, software development, machine tools, electrical and electronics components, tourism, leather, footwear and consultancy. With relation to the Tourism Industry the proposal put forth by the British Travel and Tour Major Thomas Cook Overseas Ltd s proposal of increasing stake in its Indian subsidiary by 20 per cent to 60 percent. This will result in Rs 105.31-cr as FDI inflow and the parent has already launched an open offer for the public shareholders of the Indian subsidiary to increase its stake. *(Govt clears 33 FDI proposals, DH, 20/10/01)*

A total of 13 projects involving Investments worth around Rs 29,000-cr have been either stalled or deferred during the first seven months of the current financial year. Chateau International Inn Private Ltd's ambitious Rs 1,445-cr Floating Hotel (Folatel) Project in Mumbai has been cancelled following opposition from the local fishermen and death of the main promoter. *(Projects worth Rs 28,921-cr postponed, BL, 22/11/01, C11/C01).*

Notwithstanding the current slowdown in the domestic scenario, global hotel chain Best Western International Inc plans to almost double its existing presence in the country to 30 hotels 2004.

They plan to work through franchisees where it extends the Brand Name to a Hotel in lieu of license fees rather than manage it. The chain which was launched

in India in 1993, would also add nine Hotels in other South Asian countries like Bangladesh, Nepal, Sri Lanka and Maldives and the Middle East to the present six in next few years.

Various Innovative Schemes would be introduced to attract customers like frequent hotels programme, tying up with consortium of Travel Agents and Corporate. It has identified Goa, Pune, Bangalore, Jaipur, Delhi, Allahabad and other cities as its upcoming locations. *(Best Western plans 30 hotels by 2004, FE, 18/12/01)*

The Government has withdrawn the order suspending LTC in public sector banks for a period of two years *(LTC suspension for bank staff withdrawn, Sarbajeet K Sen, BL, 6/8/01)*

The Centre has decided to permit the PSI companies to exercise their discretion in permitting the employees in availing themselves of the LTA facility. The decision comes at a point when the PSU insurance companies' contending that the centre's directive was applicable only to its Own Departments and not to the Public Sector Enterprises. *(Insurance cos can decide on LTA BL, 27/8/01)*

**C03 Tourism Finance**

Tata Finance Ltd (TFL) is planning to foray into the Travel Segment with the launch of its travel services. Bringing under its purview both inbound and outbound travel, the subsidiary would cover over 75 locations in the next 24 months. The company was also interested in opening outlets at the Nationalised Banks to see it as an opportunity to clear travel-related currency as both private and public sector banks were largely interested in foreign currency that was trade-related and not travel-related. *(Tata Finance plans foray into travel, BL, 17/1/01)*

The Government has decided to *create* a **Tourism Development Fund** in association with the private sector. All contributions to the Tourism Development Fund would have 100 percent tax exemption. The Fund would be set up on the lines of the National Culture Fund, and would have a corpus of around 5 cr. the rest of the money would be mobilised from private sector. A massive networking programme aimed at linking up the tourism destinations, hotels and airports across the country had also been carried out. *(Tourism fund to protect monuments proposed, BL, 16/12/01)*

**Transport**

**C21 Road Transport**

The NHAI has signed contracts for Four-Laning the Highways and some of the stretches have even been completed. However, a major part of the NHDP will be awarded for Construction by June 2001. The NHDP Comprises Construction of 5,952 km of National Highways on the Golden Quadrilateral Connecting the High-Density Metro Corridor of Delhi, Mumbai, Calcutta and Chennai and 7,300 km of North-South and East-West Corridor Kashmir with Kanyakumari and Silchar with Saurashtra by December 2009. To facilitate this task, the NHAI board was restructured by involving the Secretary (the Ministry of Road Transport and Highways), the Director-General. (Road Development) in the Ministry, and Secretary, Planning Commission, as full-time members. They will supplement the five full-time members of the NHAI. It would be pertinent to note here that the Private Sector has, showed little keenness in the Development of Highways through Build-Operate-Transfer (BOT) Method. This is not surprising considering that the Centre expects only a modest 15- 20 percent of the total funds required for highway development to come from the private sector. *(National Highway Development Project, Not a distant dream now, P. Manoj, BL, 1/1/01)*

The Uttar Pradesh Government is scouting for a joint venture partner for the $350-million Taj Expressway that will connect New Delhi with Agra. The Uttar Pradesh Government, through a special purpose vehicle — Taj Expressway Authority — would hold 26 per cent equity in the build-operate-transfer (BOT) venture while 74 percent would be offered to the joint venture partner. The Joint Venture Partner would be responsible for the Development of a Detailed Project Report (DPR), arrangement of finances, as well as Construction and Operation of the Six-Lane Super Expressway between the National Capital and Agra. The proposed Expressway would be of about 160 km length and would considerably shorten the distance between New Delhi and Agra, thereby reducing the travelling time to about 100 minutes. *(UP seeking partner for Taj expressway, BL, 24/5/01)*

The Agartala-Dhaka bus service is set for a trial run, with the Bangladesh Government giving its clearance. The trial run is to be held on 12th July. *(Agartala-Dhaka bus link soon, BL, 2/7/01)*

With a View to improve connectivity between the ports and the hinterland, the Government of India has entrusted the NHAI with the task of linking the Highway Network of the Golden quadrilateral to 12 Major Ports. The Project Cost is estimated to be around Rs 1,600 cr. The Projects also include upgrading the roads connecting these ports to the nearest main road Network to Four Lanes. The Major Ports to benefit from the hinterland connectivity are Kandla, Mormugao, Mumbai, JNPT, New Mangalore, Kochi, Tuticorin, Chennai, Visakhapatnam, Paradip, Haldia and Kolkata. *(NHAI to crank up port connectivity, Sumeet Mehta, ET, 12/12/01)*

**C22 Water Transport**

The Chennai-based Shipping and Cruising Company, Seaways Maritime Pvt Ltd. is planning to open two floatels in India. For this, it will form a Joint Venture with the Canada-based International Hospitality Inc (IHI) a global player in passenger shipping industry. IHI is part of the US Maritime Capital Group, which is a financial advisory firm specialising in the passenger shipping industry. The Operations in India will include RIRO (roll-in and roll-out with your cars/trucks) passenger vessels along the Indian Coastline besides luxury cruise-liners operating cruises to locations in the Indian Ocean, Africa, Australia and South-East-Asia. These include South Africa, Kenya, Dubai, Mauritius, Seychelles, Singapore and Gold Coast. (Seaways Maritime plans to open two floatels in India, Padmaja Shastri, FE, 16/4/01)

Global Maritime Conglomerate, P&O have mooted a cruise division- Princess Cruises in India in its attempt to garner a share of the fast-growing domestic Luxury Cruise Segment. The Promotional Expenditure incurred by the company for creating Cruise Awareness in India is ranked next only to Japan. The Cruise Wing would be part of P&O Travel India established in 1995— a joint venture between P&O Travel of the UK and The Great Eastern Shipping with a 75 percent and 25 percent equity stake respectively. The company offers more than 150 itineraries ranging from seven to 72 days, calling on more than 230 ports around the world. *(P&O floats cruise division in India, Kailash Rajwadkar, FE, 20/4/01)*

The Rs 60-Cr Cruise Business, which caters to the top-end leisure travel segment comprising of Chief Executives and Top Management Executives, is poised for a 100 per cent growth this year. An Industry Overview prepared by Royal Caribbean Cruise expects the number of passengers to increase from 30,000 last year to 50,000-60,000 this year. Tour operators selling Cruise Packages attribute the growth to the novelty of the product and renewed interest of corporate and senior company

executives in venturing out on a long, quiet vacation with their families. Some of the regular cruise liners operating in India include Star Cruise, Canard, Princess Cruise and three liners offered by Cox & Kings, First Choice, and Golden Sunand Carnival Cruise. *(CEOs cock a snook at recession cruise into tranquillity, the Rs 60-cr cruise business, catering to corporate chiefs, is poised for 100% growth, Rajeev Jayaswal & Rupali Mukherjee, FE, 26/5/01)*

Star Cruises, the leading cruise liner in Asia Pacific, plans to target Kerala as one of its prime markets in the Country since the number of outbound tourists from the state is on the rise. As part of its awareness initiatives on cruising, the company is organising seminars and workshops in association with the Singapore Tourism Board and Silk Air for its agents in Kochi and Thiruvanthapuram. *(Star Cruises targets Kerala, BL., 21/9/01)*

Buoyed by the recent lifting of economic sanctions by the US administration, the Union Government is set to start negotiations with multilateral agencies such as the World Bank for securing loans worth about $850-mn for the inland water transport sector. The Fund Line for Waterways is:
Inland Waterways Authority of India has submitted project reports for multi-lateral funding.
These could be used to create infrastructure, which will lure private investments into the sector.
Inland Water Transport Development Council has endorsed the main points of 10th Plan group recommendations. *(Fund-raising bid for inland waterways, P Manoj, BL, 7/10/01)*

**C23 Railways**

In a bid to cater to the needs of the regular passengers who are forced to make urgent journeys, the Konkan Railways has introduced the 'Gold Card' scheme, which enables the passenger to get a confirmed accommodation in 3-tier AC even at the last moment without prior purchase of ticket. *(Konkan rly launched 'gold card', IE, 7/3/01)*

In its innovative plan to provide online train and freight booking, the Railways have tied up with Punjab National Bank (PNB). The project will be run on a pilot basis in Delhi. If successful it will then open Internet bookings in 20 major cities, which would account for over 75 per cent of long-distance passenger reservations. The project envisages facilitating ticketing through branches of PNB, Internet ticketing and also through ATMs of the bank — both for passenger and freight. The Indian Railway Catering and Tourism Corporation (IRCTC) will be involved in this project. They would essentially tap the market and enable easier facilitation of online bookings and delivery of tickets. *(Rlys to take OTC ticketing, freight booking online, Samik Dasgupta & J Padmapriya, FE, 5/5/01)*

Indian Railway Catering and Tourism Corporation (IRCTC) will soon take over the catering services for the entire Railways, for which it is in talks with several domestic and international food chains and catering groups. The taking over of the catering services of the Indian Railways involves absorbing 7,000 direct employees and almost 3,000 commissioned vendors operating in trains or at stations and training many of them. The Railways, which already has food outlets at 3,152 of 7,300 stations, is also planning to set up multicuisine food plazas at the stations for which IRCTC is in talks with McDonalds, Nirula, Halidiram, Oriental Cuisine and many others. *(IRCTC to take up railway catering, BL, 30/11/01)*

**C23a Luxury Trains**

The Indian Railway has indicated its willingness to co-operate with State Level Organisations to take up projects in the Tourism Sector in Kerala. The Joint Participation of state Governments and the Central Government through a Rail Infrastructure Corporation will not only help in accelerating Railway Development but also benefit the State in pinpointing their priority in executing the projects. *(Rys offers to aid Kerala tourism, S Sanandakumar, ET, 3/1/01)*

Further to their collaboration with the Indian Railways the Kerala Tourism Department has already proposed five special rail-tour packages to the Board. The Project envisages a continuous link of backwaters and connecting rivers, along with artificial canals. The plan was to go in for an international bid for implementing the project and the State Government expected the Centre to support it financially. The new packages aimed at exploiting the rail connectivity to the State, especially through the Konkan Railway network. *(Kerala plans rail-tour packages, BL, 14/1/01)*

Maharastra has also been in talks with the Indian Railways to start as train on the lines of the Palace on Wheels. A memorandum of understanding (MOU) has been signed between the Railways and Maharastra Government under which the Railways would run the train and STDC would maintain the services on board. The luxury train should be ready to take off on its by October 2002. The broad gauge train, consisting of 21 coaches and a diesel locomotive, will cover Mumbai, Ratnagiri, Sinshudurg, Goa, Pune and Aurangabad in seven days. *(Maharastra Palace on wheels soon, TOI, M, 17/2/01)*

West Bengal is the third State on list that is planning to start a Luxury Train on the lines of the Palace on Wheels. The route would be to cover places connected with Buddhism. The Government has chalked out an Rs 475-cr-tourism master plan for the purpose. They also plan to take up with the Railways Ministry the modernisation of the toy-train between Siliguri and Darjeeling. *(Palace-on-wheels for Bengal, DH, 29/5/01)*

The Railways have also agreed in principle with the Karnataka State Tourism Development Corporation (KSTDC) to operate the Palace-on-Wheels in the State. This Project would most probably be operational within the next two years. It would link tourist destinations in North Karnataka such as Hampi, Badami, Aihole and Pattadakallu, the coastal districts, Belur, Halebeedu, Shravanabelagola and Mysore. The special train would start its journey from Bangalore to North Karnataka in its first leg. The second leg would be from North Karnataka to coastal districts to enable tourists to visit beaches, pilgrim centres and exotic spots in the Western Ghats. The third leg would be from Mangalore to Hassan from where tourists would be taken to Belur, Halebeedu and Sharavanabelagola and the final lap would be from Hassan to Mysore. *(Palace-on-Wheels to be operated in State in two years, TH, 31/5/0)*

The CBI carried out a raid on the first tour of the season of the Palace-on-Wheels. The operation termed as 'Flying Checking' was to check for passengers without proper tickets or permission to travel. The check was carried out in a detailed manner. The CBI found a number of passenger including Government Officials and Journalists without tickets, causing a loss of nearly Rs 80-lakhs to the Railways. *(Nothing unusual about free ride on 'Palace-on-Wheels', DH, 11/9/01)*

The "freeloaders," who were on the Palace-on-Wheels in September, when it was raided by the CBI at Jodhpur, were "guests" of the RTDC, claimed minister of tourism Blna Kak. According to a decision taken by the RTDC board, on every trip select media persons and two others could travel. This is the arrangement for a normal tour and such persons are invited by the RTDC. But for a "cam tour" which is a Promotional Exercise, there are no restrictions on the number of guests. She said the train was carrying guests on' "cam tour" when it was raided. No departmental inquiry was conducted following the CBI raid. Also, as the CBI was probing the matter, the State Government conducted no separate inquiry. The State Government is awaiting the report of the CBI and it would initiate action only after that. *(Freeloaders on the Palace-on-Wheels were RTDC guests, TOI, M, 22/11/01)*

RTDC has challenged the jurisdiction of the CBI to raid the Palace-on-Wheels train. In its plea the RTDC has said that it is a unit of the state government and the CBI has no right to interfere in the work of the State Government undertaking. The CBI by raiding the train and declaring the guests of the RTDC, who were travelling in the train as "ticketless traveller" was indulging in bringing disrepute to the RTDC. It has also complained against the seizure of records of the Palace-on- Wheels by the CBI.

The State Government has also decided to restrain the CBI from taking any direct action against any 'employee without taking prior permission of the State Government. *('CBI had no right to raid luxury train', TOI, M, 12/12/01)*

## C24 Civil Aviation

**Government-run Airlines**

The Government-owned Pawan Hans Helicopter Ltd is all set to go global with the acquisition of the coveted ISO-9002 certification from the United Registrar of Systems Ltd (URS). It has already received queries from Qatar and Bharain for hiring their choppers for offshore oil exploration and tourism. At present a few its choppers are used for the purpose of Tourism at Jammu, Meghalaya, Arunachal Pradesh, Sikkim and Lakshadweep *(Pawan Hans set to go global, TH, 18/1/01)*

**Indian Airlines**

Indian Airlines (IC) is looking at the possibility of implementing a "flexi-fare" hike as against the normal across-the-board fare increase. In a "flexi-fare" system the rate of fare increase will depend on the sector the flight operates in as well as the passengers' demand for a particular route. If IC decides to go in for a 'flexi-fare' hike, it will be for the first time that the domestic carrier will be introducing such a system. The airline, however, has not fixed any date for increasing its fares. The modalities are being worked out and hopefully a decision should be taken soon. *(IA considering 'flexi-fare' hike, TOI, M, 11/4/01)*

IC and the Nepal Tourism Board (NTB) are working together to promote packages for Indian Tourists visiting Nepal. The move comes in the wake of NTB's campaign that was launched in Delhi with the announcement of a three month 'Festival of Life' to show case the country's multifaceted attractions to visitors with varied interests from different countries. *(IA to work out packages for tourists to Nepal, BL, 27/4/01)*

They have introduced the walk-in flights concept between Delhi and Mumbai. The scheme assures a seat to any passenger holding an open ticket if he reports 30 minutes before the scheduled departure of the flight. The airline has also introduced

'Desh Videsh', a scheme offering an assured prize on international return tickets. *(IA introduces walk-in scheme, BL, 17/8/01)*

IC will be launching a short-term promotional scheme, Desh-Videsh-II. Under this scheme, passengers who travel on IC domestic network against Indian Rupee Fares for a value of Rs 75,000/ 110000 would be eligible for one/ two free return international ticket on any specified sectors and if the travel is to the value of 90,000/ 130000, the passengers have the choice to redeem one/ two International return ticket in Business Class. *(IA lunching Desh videsh-II, BL, 16/11/01)*

In an effort to promote Air Connectivity in the Northeastern region, the Government has agreed to provide an annual subsidy of Rs 35-cr for the next five years to IC for the flights it operates to the region. IC like other domestic airlines, offers subsidised fares to the North-East, although its reach and connectivity are much more than the private carriers. *(Indian Airlines to get Rs 35-cr as subsidy for N-E operation, Ashwini Phadnis, BL, 18/12/01)*

IC has come out with a new package 'Flyaways'. The package cover sites of pilgrimage, fitness and relaxation, originate from 11 stations around India and offers stay at 63 hotels. The package includes airfare, hotel stay, sightseeing, meals and airport transfers. The main ones are to Srinagar. Jammu, Rajasthan, Kerala, Bodhgaya, Orissa and Goa. *(Flyaways, TOI, M, 24/12/01)*

**Air India**

Air India (AI) has decided to terminate its general sales agent (GSA) in the UK and appoint consolidators. This move would result in higher revenue as well as lower commission payouts for the National Carrier. Revenue generated from the UK region increased by 20% during the first five months after appointment of three. The savings on account of lower commission paid to the consolidator works out to Rs 5-cr for the five-month period as compared to the 20-cr that they were paying their GSAs. *(A-I flourishes in UK with GSA removal, ET, 16/4/01)*

Taking a cue from International Airlines Worldwide, Air India (AI) too has decided to retrench 142 overseas employees by shutting and downsizing most of its online and offline stations abroad thus saving Rs 21 cr. AI management has decided to hand over pink slips to its overseas employees as it could do so under international laws. The stations, which the airline proposes to close down are, Barcelona, Budapest, Prague, Stockholm, Warsaw, Belgrade, Lyon, Nice, Boston, Montreal, Manchester, Beirut, Cairo, Tehran, Entebbe, Johannesburg, Blantyre, Gabarone, Nagoya and Manila. While those to be downsized are Brussels, Madrid, Rome, Washington, Toronto, Birmingham, Lagos, Taipei, Auckland and Sydney. *(AI to retrench 142 overseas staff, ET, 13/10/01)*

As a cost cutting measure, AI is planning to drastically reduce the number of free tickets it issues. This decision follows a meeting with Top Officials and the Civil Aviation Minister. It annually issues about 3000 complimentary tickets to various categories of passengers like travel agents, media persons, travel writers and sometimes Government Officials. *(AI to cut down on free tickets, TOI, M, 18/10/01)*

Alarmed at the financial impact of the Sept 11th attacks in the US, which dampened the International Civil Aviation Market, almost, 100 Executives of AI's Engineering Department have decided on a 15% voluntary salary cut. The cut will be for the period Oct-Dec, 2001. More AI employees are expected to follow suit. *(AI engineers take voluntary pay cut, BL, 20/10/01)*

In a move to prevent the misuse of tickets by Air-India's (A-I) domestic passengers, the airline is planning to photograph them while boarding and keep the pictures in its computer database. This is one among the few security measures taken up post-Sept 11th attacks. *(Click and cleanse: AI plans to curb domestic ticket misuse, Srinivas Laxman, TOI, M, 3/11/01)*

**Private Airlines**

Private airlines, Jet Airways and Air Sahara, have for the first time edged out the State-run Indian Airlines to take a lead the market in 2000 with a higher combined share of handling passengers. The two private airlines together carried 7-mn of the total 13.3-mn domestic passengers last year. *(Private airlines win major market share in India, Aparna Kalra, TOI. M, 13/3/01)*

The Civil Aviation Ministry has granted no-objection certificate (NOCs) to a total of 13 non-scheduled operators during the past two years to start domestic air services in the country. The Airlines will only be allowed to operate in domestic skies and not be authorised to use the bilateral agreements of the government with other countries to fly international flights. The companies that have been given the certificates are Afimac Associates, United Helicharters, Seabird Charters, Sam Aviation, Madhya Pradesh Flying Club, Summit Aviation, Enbee Aviation, North Airways, Jindal Strips, Wings Aviation, Bilakhia Holdngs and R.C. Aviation. *(13 private parties get permits to start domestic air services, BL, 21/6/01)*

Notwithstanding the sluggishness in domestic air traffic, applications of four companies to commence operations are being scrutinised by the government. Proposals being considered by the Government for scheduled operations are Ahmedabad Aviation and Southern Air and for non-scheduled air transport services- Thomas Cook, Futura Travels Ltd., and SRC Aviation Pvt. Ltd. Government has projected a growth rate of 5-7% in domestic traffic for the period 2001-05. *(Air traffic: Proposals of 4 cos being scrutinised, Rupali Mukherjee, FE, 8/8/01)*

Jet Airways is looking to boost its percentage of overseas traffic through a systematic expansion of its domestic network and introducing value-added service for its international clientele. Jet Airways, which has recently expanded its domestic network from 39 to 44 Indian cities and plans to add Agra to the list by the end of November is expecting that this expanded network will increase its overseas traffic, as passengers seek connections to smaller and remote Indian destinations. Plans are also under way to introduce a major value added customer service for all international passengers travelling on Jet Airways' connecting flights out of Mumbai. The passenger assistance programme to be introduced includes receipt and direct transfer of baggage to the domestic airport following customs clearance. *(Jet Airways to woo fliers from abroad, Vimala Vasan, BL, 2/10/01)*

In an effort to attract more passengers, Air Sahara (AS) today rolled out the 'Cosmos' frequent flyer programme. The programme promises to get the flyer to the goal of getting a free ticket faster than any of the existing programme of rival airlines - IC and Jet Airways (JA). The AS programme offers the passenger the option of getting a Delhi-Mumbai-Delhi return ticket after 13 flights on the airline as compared to 20 flights on IC and 15 on Jet airline. Further, the airline is also offering the passenger the option of going abroad, with 23 return flights with the airline allowing the passenger the option of travelling to Disneyland. The airline also offers a number of other Indian and International Destinations, Products and Holiday Packages that will be available to passengers who are members of the programme. Passengers can enrol for the programme either at the time of checking

in, on board, through the mail or online. The Airline also offers a 1,000-mile enrolment bonus. *(Air Sahara launches frequent flyer scheme, BL, 17/11/01)*

The North Indian States of Jammu and Kashmir, Punjab, Haryana, Uttaranchal, Madhya Pradesh, Uttar Pradesh and Himachal Pradesh are planning to set up a consortium to start a Regional Airline that will connect new destinations in the Northern Region. The states are negotiating with Jagson Airlines, which is operating in Northern India and connecting various Tourist Spots in Himachal Pradesh and Uttar Pradesh. *(Northern states plan to set up consortium for regional airline, Kavita K Bhaskaran, FE, 10/12/01)*

The Proposed Policy move of the Government of allowing up to 49 per cent Foreign Equity in the Domestic Aviation Sector is unlikely to find any favour with Air Sahara. Senior Air Sahara Officials told that the airline would not offer any equity though it may consider a technical tie-up with a foreign airline. The airline is to make several more announcements to stimulate the market by the end of the month including a possible tie-up with an international airline to offer free international travel to its frequent flyer members. Besides, the airline is to launch more frequencies such as offering a service on the Bangalore-Mumbai and on the Mumbai-Goa sectors from the third week of this month. *(Air Sahara not to offer equity to foreign firms, Ashwini Phadnis, BL, 15/12/01)*

**Foreign Airlines/ Investment**

The Sri Lankan Airlines is keen to operate more services from India. The Operational Points that they have planned on are Bangalore, Hyderabad and Kochi. *(Sri Lankan Airlines to operate more services in India, T.S.Shankar, TH, 9/7/01)*

Oman Air, Cochin International Airport Limited and AI are likely to arrive at a consensus on the fine print of ground handling pact proposed for Oman Air schedule to Nedumbasseri Airport. Despite the initial differences of opinion between the aviation majors, the indications are that the pact is to be signed on the 26th July 2001. *(Oman Air ground-handling pact with AI likely tomorrow, M Sarita Varma, FE, 26/7/01)*

The Government has offered Saudi Arabia, Yemen, Kuwait and Oman the option of starting Air Services to and from the newly built Kochi Airport. These countries have been approached as part of the commitment of the Prime Minister towards the Airport Project but a response from the airlines has not yet been received. *(Gulf airlines invited to begin Kochi services, Ashwini Phadnis, BL, 27/7/01)*

Even as few International Airlines are in the process of withdrawing their code-sharing arrangements with AI, a few others like Emirates and Malaysia Airlines appear to have gained ground. Emirates and Malaysian Airlines have doubled their capacity last year following the code-sharing agreement with Air-India. Travellers to and from India are now finding it convenient and cost-effective to fly to San Francisco from Kuala Lumpur and from Dubai to Zurich or any other European destination. This follows the cancellation of direct flights from India by International Airlines. Besides, Kuala Lumpur is being promoted as a shopping destination, on the lines of Dubai. AI is likely to ink a pact for code—sharing with Thai Airways before the end of the month, though there's no official confirmation on this. Code-sharing arrangements are ideal to ensure the airline's presence and the addition of capacity in new markets without deploying aircraft. Air-India, which has 17 code-sharing arrangements with 12 airlines, had off-late increased its market access through code-sharing arrangements and the revenue from these

arrangements us around Rs 100 cr. (Global airlines see-saw on code with Air-India, Kailash Rajwadkar, FE, 18/10/01)

Only 68% of Airlines across the globe managed to post operating profits in 2000. The estimated aggregate operating profit of global airlines stood at $11-bn or a mere 3.3% of the global scheduled airlines' operating revenues of $328.7-bn. *(Just 68 pc airlines made profits in 2000, Ambar Singh Roy, BL, 23/10/01)*

The Swiss Government moved in to rescue the Country's National Airline Industry by agreeing to pay the Lion's Share toward the cost of resurrecting much of collapsed flag carrier Swissair. After more than a week of frantic talks between the Government and leading Swiss Companies, a total package of Sfr 4.24 billion ($2.58 billion) was put together at the last minute to salvage the national airline and its Zurich airport hub —along with tens of thousands of jobs. Under the rescue deal, smaller regional carrier Crossair will acquire two-thirds of the fleet and destinations of 70-year old Swissair. The deal pulls Switzerland's airline industry back from the brink, but a drastic restructuring programme is still needed for the new company if it is to have a viable future in a global airline industry, where few firms show persistent profits. *(Swiss govt comes to the rescue of Swissair, Marcel Michelson, ET, 24/10/01)*

IATA has asked British Airways to withdraw its cheap fare voucher scheme called 'Biggest Lowest offer' within 72 hours. Under the offer the airline was offering vouchers to travel agents who would exchange them at the time of ticketing. This offer was in violation with the billing settlement plan (BSP) as it does not allow any airline to use its own vouchers. *(IATA asks British Airways to withdraw airfare scheme, TOI, M, 26/10/01)*

Any American Passenger Carrier flying to and from Sri Lanka with stops in the Country will be allowed to carry local traffic between India and Sri Lanka from January 1, 2007, according to the open-skies aviation agreement reached recently between the US and Sri Lanka. The agreement, when fully implemented, will remove all restrictions on air services not only between the US and Sri Lanka but also beyond each other's territory. This is fourth such agreement reached by the Bush Administration, after Poland, Oman and France, under the US' 56th open-skies agreement. *(US, Lanka ink open skies agreement, BL, 9/11/01)*

| Country | Airlines | Amt of Gov support | Loss |
|---|---|---|---|
| US | The whole civil aviation sector | $16-bn | Cannot be estimated |
| Japan | Japan Airlines, All Nippon, Japan Air System | $2-bn | To cope with rising insurance costs and falling traffic |
| Canada | Canadian Airlines | $101-mn | Owing to general losses associated with 9/11 attacks |
| Switzerland | Swiss Air | Swiss Franc 450-mn plus $ 2.4-bn | To save the carrier from bankruptcy |
| Belgium | Sabena | $114-mn | Loan before private investment |
| India | Air India & Indian Airlines | ? | Recurring loss of the Gov carrier. |

*(Crisis of confidence in world aviation, Abhijit Bhattacharyya, BL, 14/12/01)*

**Disinvestment**

The Government plans to go in for a five-year lock-in period for the resale of AI and IC after privatisation. In its clearance of disinvestment in the two airlines, the Cabinet Committee on Security has insisted on this clause so that no country gets undue benefit. The lock-in period is being introduced to ward off any perception in the public mind that the sale of the two airlines could lead to any security risk. However, such a clause will not be part of the general disinvestment policy. It will pertain to only 'conspicuous cases' like AI-IC. *(Govt to go in for 5-yr lock-in period for resale of AI, IA, Ravi Kapoor, FE, 2/1/01)*

Irked by the delay on the part of the Civil Aviation Ministry in bringing about changes in the aviation policy, the Disinvestment Department is believed to have decided to bring necessary amendments as part of shareholders agreement for Privatisation of Air-India (A-I). While deciding against any rebid, the Department of Disinvestment (DoD) has prepared a cabinet note for the purpose, which would help incorporate the changes in the policy needed for executing the selling process. One of the contentious issues that they perceive would be the granting of air traffic rights to the privatised entity, which has so far been with the Government. Under these traffic agreements, the National Flag Carrier usually gets the right to fly to different countries. It was pointed out that in the changed scenario A-I should get the designated airline status for deciding on destination under these 'bilateral' rights. This issue is considered a must for Commercial Operation of the Airline and all the initial bidders are understood to have asked the Government to settle this before calling for the final price bid. *(DoD to bring about amendments in Air-India privatisation policy, TOI, M, 16/4/01)*

The DoD has also decided to insert a clause in AI's shareholders agreement, stipulating that proceeds from the sale of its subsidiary Hotel Corporation India (HCI) will accrue proportionately to A-I's shareholders when the latter is privatised. This has been done to clear the roadblock for A-I Privatisation as the sale of HCI was supposed to precede divestment in the National Carrier. *(AI to get HCI sale funds proportionately, Ravi Kapoor & Rupali Mukherjee, FE, 26/6/01)*

Mr. Priya Ranjan Dasmunshi has called for appointment of a fresh independent global adviser for disinvestment of AI while scrapping the present process. He also urged the Government to invite fresh bids for disinvestment while clearly stating the policies and conditions regarding the ultimate management control in the shareholder's agreement. *(Dasmunshi flays AI disinvestment, TH, 23/7/01)*

With relation to the AI disinvestment, SIA is learnt to have estimated the equity valuation of AI between Rs 400-500 cr (TOI, M, 10/8/01). Soon after their announcement on the value of the airline, they also made a statement with regard to its irrevocable pullout. The Airline cited the turbulent political environment and the forces hostile to the process of disinvestment in India's PSU as reasons for its pullout. *(SIA to pull out from AI bidding blames hostile environment, Rohit Bansal, FE, 11/08/01)*

The Government was thinking about increasing the equity for disinvestment of AI, but at a later stage it withdrew from the idea. The Government has decided to stick to its original plan of disinvesting 60% equity in AI offering- 40% to a strategic partner, 10% to the employees and the remaining 10% to the foreign institutional investors. *(No equity concessions to foreigners in AI, DH, 5/9/01, C24)*. The Government also delinked HCI from AI. As compensation for giving away HCI, the National Carrier would get Rs 100-cr. *(AI gains just Rs 100-cr from delinking of HCI, ET, 11/9/01)*

The Tata Group has practically stopped discussion with Foreign Airlines for a Joint Venture to run the State Run AI for which they had showed their interest. It is believed that they have not been able to get a suitable foreign partner. The possibility of the Tatas going in alone to bid for the Government Stake in A-I also seems unlikely in the absence of sound technical expertise required to run an airline. *(Tata group puts bid for AI on back burner, Sourav Majumdar & Namrata Singh, FE, 12/11/01)*

With the Disinvestment of Air India off, the Airline Management plans to put up a revised business plan before the Government for "re-vitalising" the airline, which may include an infusion of Rs. 1,000-crores from the sale of HCI. In the scheme of things is procurement of new aircraft, leasing of two more aircraft, opening new routes and implementation of the voluntary retirement scheme (VRS), which will cut flab and bring savings for the airline. *(Disinvestment Odd/ Rs 1000-cr capital infusion, AI to discuss new business plan, Gargi Parsai, TH, 12/12/01)*

**Plans and Polices**

In a major shift in policy, the Group of Ministers (GoM) has recommended entry of Foreign Airlines in Domestic Aviation, and an increase in overall Foreign Direct Investment in 'Civil Aviation Sector' up to 49 percent. The Draft Civil Aviation policy has proposed raising the Foreign Direct Investment up to 40 per cent from the existing 26 per cent in the domestic air transport services. The GoM proposal is a step further. However, equity from foreign airlines is not allowed, directly or indirectly, in domestic air transport at present. It is understood that the proposal was put before the Cabinet, after the GoM on foreign direct investment, headed by the finance minister Yashwant Sinha, recently cleared it. Interestingly, they have cleared the proposal despite reservations from the ministry. NRIs and overseas corporate bodies are permitted to invest up to 100 per cent in domestic aviation in the proposed policy. *(GoM for foreign firms' entry in aviation, Rupali Mukherjee, FE, 8/2/01)*

Apart from the FDI issue, the policy also plans provide for a Civil Aviation Economic Regulatory Authority which will look into tariffs charged both by airlines and airport companies and ensure consumer interests are not in any way jeopardised. Of course the new policy will not dilute the role of the Directorate General of Civil Aviation (DGCA), which is the major regulator in the sector right now. The draft policy clearly differentiates between the two— while the economic regulatory authority will determine tariffs and related issues, the DGCA will be the sole licensing authority for all technical personnel and be responsible for airworthiness tests as well. The role of the new regulatory authority is significant since the government is looking to disinvest both airlines as well as airports.

The policy will also address other important issues like allowing private carriers fly overseas which could have a big impact on the business plans laid out by those in the race for AI and IA. Essentially the thrust in the policy will be threefold — smooth divestment, synergy with the proposed Integrated Transport Policy and taking a decision on allowing equity of foreign airlines in domestic skies. *(Hitting an air pocket even before takeoff, Nandini Sen Gupta, ET, 11/5/01)*

Investing in airports in India has become even more attractive with the budget announcing a 10-year tax holiday. The Bangalore Airport Project and the proposed Shamsabad International Airport at Hyderabad are the two projects that would immediately benefit from this New Proposal. The move is likely to make the long-gestation projects attractive for international players. India's only private airport,

the Nedumbasseri Airport operated by Cochin International Airport (CIAL) has missed out on this tax holiday since it was commissioned last year. The CIAL plans to get an exemption for the project. *(Landing smooth at airports, ET, 1/3/01)*

The AAI has allocated Rs 260 cr. for investment in Airport Development Projects in the northeast during the ninth five-year plan. New terminals are planned at Agartala, North Lakimpur while it has already launched air terminals at the following places: Guwahati, Silchar, Imphal, Dimapur, Tezpur and Tura. Mr Yadav has also directed officials to see if foreign airlines are interested in operating flights to Guwahati, which it would promote as a point of call. *(AAI earmarks Rs 260-cr for airports in north-east, ET, 8/7/01)*

The Government is working on the Common User Terminal Equipment system, which will enable passengers at airports to check-in at any counter for any airline. The system will be integrated with immigration and customs to ensure that passengers spend less time at check-in queues. Interactive Hotel Reservations through this system to be provided by tourist counters are also receiving the attention of the Ministry. *(Easier check-in at airports, DH, 30/7/01)*

The Department of Disinvestment will not press for a change in the Civil Aviation Policy to allow Foreign Airlines to enter the Domestic Skies if IC is put on block again for strategic sale following an unsuccessful first attempt by the Government in this direction (BL, 7/8/01). On the one hand the Government issued the above statement while on the other hands, just a few days later it has shown interest to move ahead with the bilateral agreements signed by them and also look for opening of Indian skies. This it plans to do concurrently with the disinvestment of AI and IC. During the last year, bilateral agreements have been signed with 15 countries providing for a total of 13129 seats per week. With the view to Promote Tourism in the Country, the regulations for Operation of Tour Charter Flights have been liberalised. Tourist Charter Flights can now land at 12 International Airports in the Country in addition to Agra, Jaipur, Varanasi and Port Blair. *('Govt. easing bilateral air traffic rights policy, BL, 26/8/01)*

Having realised the role of Aviation in Promoting Tourism, the Union Government is now trying to put up a hassle-free entry system for overseas visitors without compromising on the security aspect. The traditional system of checking- body frisking and rummaging through personal effects will soon be scarped. Focussed efforts are being made to provide 'touch-free, hassle-free and fool-proof airport security with a high degree of professional competence'. *(Touch-free welcome to tourists planned, BL, 24/8/01)*

In a Major Liberalisation of Civil Aviation Regulations, the Government has allowed operation of tourist charter flights front India to overseas destinations. Till now only bound charters carrying foreign tourists were allowed. The move comes at a time when security concerns have been bogging down aviation reforms and the impact would be significant in bringing down transport costs for tourists opting to take charter flights. Travel companies like Thomas Cook have been demanding permission for operating outbound tourist charters.

At the same time, airline companies especially Air-India, Indian Airlines and foreign carriers with large-scale operations in India — will encounter more competition. According to the new regulations, aircraft owned by scheduled operators like Air-India, Indian Airlines and Jet Airways could be used for outbound charters. Similarly, non-scheduled operators like Deccan Aviation or

Visa Air could also take part in charter services. Only multi-engine aircraft operated with a minimum two pilots would be permitted to operate on international routes. Outbound tourist charters could be operated with aircraft registered abroad too. The Tourism Department will monitor all outbound charters to ensure that realisation of prescribed foreign currency remittances materialise in time. For this purpose charter operators have to submit necessary documents to the department. All tour operators, travel agents and hoteliers registered with the tourism department can operate charters. Security clearance would be required for all such operations. *(Govt gives nod for outbound charter flights, G Ganapathy Subramaniam, ET, 1/10/01)*

In a significant judgment, the SC ruled that the foreign air taxi operators couldn't allow the native companies pilots to work for them without the "no objection certificate" by the employer. It upheld the DGCA notification in 1993, which created a condition for the taxi operators that they would not employ anyone already serving any of the national carriers without obtaining a no-objection certificate from the employer. *(SC bars IA, AI pilots from joining foreign air taxis, Rakesh Bhatnagar, TOI, M, 6/10/01)*

In a major policy shift, the Government is now planning to allow foreign airlines to pick up equity in the domestic sector and to go in for technical tie-up with domestic airlines. The government is also considering a proposal to raise the FDI cap in civil aviation sector- both domestic and international- from the present 26 to 49 percent. *(Equity for foreign airlines planned, Gari Prasad, TH, 8/12/01)*

The Government is in favour of establishing an independent economic regulatory authority for civil aviation sector to consider a host of issues, including the setting up of aeronautical charges for airports.

Sources said the Government is of the view that there is a need to establish not just service standards but also appropriate systems of penalties for violation of standards in the domestic aviation sector.

Another issue that the Government is considering is the need to ensure that air service operators enjoy competitive access to airports on reasonable commercial terms. *(Economic regulator for aviation sector on cards, Ashwini Phadnis, BL, 10/12/01)*

**Leasing of Airports**

The Emirates Groups' Dnata, as part of a International Consortium, has been granted 10-year license by the Airports Authority India (AAI) to provide ground and passenger handling services at four of the country busiest airports — Delhi, Mumbai, Chennai and Thiruvananthapuram. Dnata's partners in the consortium are UK-based Menzies Aviation Group Holdings (Asia-Pacific), the Indian Aviation Company Interglobe Enterprise Lid, and United Airlines Dnata. The consortium will provide aircraft, passenger, cargo handling and ramp transportation. Work has started already on setting up stations at the four airports and the consortium intends to be fully operational by September this year. The Indian Government had Invited International Bids for a total of Nine Airports. *(Dnata services in major airports soon, Vimala Vasm, BL, 24/5/01)*

But the Cabinet has opposed this decision. Mr Prasad has, in fact, asked the Civil Aviation Ministry to reverse its decision. The Cabinet Secretary's Activism on this issue arises from the concerns raised by the country's defence establishment, which says that the award to Dnata would pose "serious security risk" and he has

formally taken up the issue with the PMO and the Home Ministry. *(Cabinet secy opposes ground handling contract to Dnata, P R Ramesh, ET, 26/5/01)*

In turn the Civil Aviation Minister Sharad Yadav has sought to allay security concerns in awarding of contracts for ground handling facilities at airports saying that he would consult Home Ministry before taking a final decision. He, however, said that there was no need for seeking the clearance of bidders for ground handling facilities at various airports from Cabinet Committee on Security, which was a must in the case of aspirants for Government stake in Air-India and Indian Airlines. *(Government to consult home ministry on airport contracts, FE, 28/5/01)*

Five major Trade Unions have sought the intervention of the Prime Minister, Mr Atal Bihari Vajpayee, to stop the entry of foreign companies into ground handling services in international airports in the country and have warned serious industrial unrest if it was not stopped. In a joint letter to Mr Vajpayee, the five unions — IIMS, BMS, AITUC, CITU and INTUC) have said the Civil Aviation Ministry's decision to allow the entry of foreign and private players into ground handling services, despite Air India's opposition, was purely on commercial considerations with no concern to national security. *(Foreign cos' entry into airport ground handling opposed, BL, 20/6/01)*

The valuation of four airports of Delhi, Mumbai, Chennai and Kolkata, slated to be leased out to private players, is pegged at Rs 3,659-cr. This exercise has been done by KPMG, financial advisor appointed by the AAI for long-term leasing out of these airports. The objective of 30-year leasing is to Modernise The International Airports as per global standards. *(Metros' airport valuation pegged at Rs 3,659-cr, Jayanta Ghosh, TOI, M, 3/7/01)*

The draft note by the Cabinet on leasing of Four International Airports at New Delhi, Mumbai, Chennai and Kolkata stipulates a freeze on retrenchment for three years and restricting a bidder to operate in either Mumbai or Delhi. The note prepared by the Ministry says that the Government has the right to establish a second airport but only after the traffic reaches a specific level at the original airport. This is being done to allow the operator to earn returns on his investment. It is also proposed that seven domestic airports at Bangalore, Hyderabad, Ahmedabad, Cochin, Amritsar and Guwahati would be developed as international airports. Most of these airports are loss making. The Government has also spent money on the up gradation of some these Airports. Many towns are also important tourist destinations, which have been earmarked for development.

The highlights of the note are:
- Airports to be leased for a period of 30 years
- Lease amount has to be paid in two parts
- Aeronautical charges may be fixed at the prevailing rates
- Necessary to establish service standards

*(Ministry also wants separate operators for Delhi, Mumbai corridors, Leasing metro airports: Cabinet mulls three-year ban on layoffs, Rupali Mukherjee & Amiti Sen, FE, 18/12/01)*

**General**

In a bid to encash the increasing outbound tourist traffic in India, Thomas Cook has sought permission from the Civil Aviation Ministry for operating outbound-charted flights. As of now, the government does not allow operation of outbound charters while inbound charters are permitted with prior permission.

The Civil Aviation Ministry has forwarded the application of Thomas Cook to the Director General of Civil Aviation (DGCA). The application can be cleared only if the current aviation policy is amended. Besides Thomas Cook, other tour operators were keen at outbound-chartered flights, as it would be possible to offer cheaper packaged tours for Indian tourists by using charter services. As of now all package tours are conducted in tie-up with international carriers. Sources said the number of charter flights coming to India was steadily declining especially in significant destinations like Agra and Trivandrum. The charter flights have reduced to 466 in 2000 from 958 in 1995. *(Thomas Cook seeks govt permission for outbound-chartered flights, Arsdeep Sehgal & G Ganapathy Subramaniam, ET, 19/6/01)*

Nine Airline Operators in Kerala have met with the CM to speed up the process of Developmental Activities at the Three Airports in the State for the scheduled spurt in air traffic in the coming tourist season. The thrust of the State Government will be on introducing safe taxi services on the lines of Mumbai Airport. *(Airline operators in Kerala to rev up flight schedules to meet tourism boom, M Sarita Varma, FE, 5/7/01)*

Travel Majors like Kuoni and Thomas Cook plan to start Tourist Charters out of India in a year or two. Kuoni is considering bringing in charter flight services in India through its Network Airlines- Edelweiss and Novair, while Thomas Cook has sought permission from the Civil Aviation Ministry for operating outbound charter flights. *(Charter flights poised to power outbound travel, ET, 2/8/01)*

Air travel in the Country will cost Rs 100 more from October 1. Indian Airlines and Jet Airways have announced 'insurance surcharge' of Rs 100 per sector of travel on tickets issued on Indian Rupee Fare Travel, to meet the recently increased cost inputs levied by insurance companies. This Insurance surcharge will be $ 2 per sector for tickets issued in India on dollar fares for travel on domestic sectors of IA. *(Air travel to cost Rs 100 more, DH, 1/10/01)*

Amidst heavy security, the AAI and BMC jointly began a massive demolition drive of the hutments colonies, bordering the Chhatrapati Shivaji International Airport. There are about 3000 hutments in the vicinity of the City Airport *(Hutments near Mumbai Airport demolished, DH, 22/12/01/ C24)*. The residents of Rafique Nagar, are now ready to be rehabilitated. The enormity of the rehabilitation process initiated almost ten years ago by the National Slum Dwellers Federation (NSDF) and SPARC has hit residents only after thousands of families were left homeless following last week demolition of adjoining slums or airport land. *(Airport slum-dwellers take off for greener pastures, Anshika Misra, TOI, M, 24/12/01)*

## C30 Hotel Sector

### Plans and Policies

Convinced that the annual pre-budget plea for tax sops will not bring any results, the hospitality industry has modified its strategy of letting the Government collect revenues from the industry but use it for infrastructure development of hotels and restaurants. The idea behind the hotel industry's strategy for infrastructure tax is two-fold. First, it envisages simplification of the current multi-tax structure. Second, the industry wants to mount pressure on the government to utilise the revenue collected from the industry on infrastructure development. Lack of adequate roads, airports, rail connections, power supply and safe drinking water is often cited as reasons for sluggish growth in tourist arrivals. *(Channelise taxes for infrastructure: hotel industry, New Delhi Bureau, ET, 29/1/01)*

In spite of the criticism of the Hotel Industry the Department of Tourism has provided an interest subsidy of Rs 8.5 Cr to Private Sector Hotels in the year 2000-01, under the scheme for grant of interest subsidy to Hotel Projects. A total of 159 hotels have benefited from the scheme during the year. According to official sources, the scheme has become so popular among hoteliers that the budgeted 5-cr for 2000-01 was utilised by September 2000, and the allocation of funds had to be enhanced. The Tourism Department has initiated a study to analyse the present position by conducting an impact assessment report of the scheme. Recently, the number of prescribed Fls tinder the scheme has been increased. The list now includes ICICI, IDBI and SIDBI in addition to the Tourism Finance Corporation of India, State Financial Corporations and State Industrial Financial Corporations. To make the scheme more effective, efforts have been made to streamline the processing of interest subsidy claims in the department and to educate FIs regarding proper submission of claims. *(Private hotels get Rs 8.5-cr subsidy, Amiti Sen, FE, 21/4/01)*

The Hotels Sector is unlikely to see any large inflow of funds, despite the Government's recent announcement to allow 100 per cent foreign direct investment (FDl) through the automatic route. The Hotel Industry, which did not find even a mention in the Union Budget, is saddled with a tax structure that is detrimental for any investment of any nature to come in, leave alone FDI. Previously, 51 per cent FDI was allowed via automatic approval while with FIPB approval this could further be hiked to 74 percent Despite Non-Resident Indians (NRIs) being allowed to undertake 100 % investments, the same did not yield any inflow except for a single proposal. *(Relaxed FDI norms for hotel sector may not spur foreign capital inflow, Kailash Rajwadkar, FE, 17/5/01)*

**Trends**

The average room rates (ARR) of hotels in India have fallen across the board in the year 1999-2000, over the previous year. This is especially true of all metros, with the exception of Chennai where the ARR increased. Even in cities like Delhi, Patna. Jaipur, Kochi, Kolkata and Bangalore, the occupancies grew in the year at the expense of their ARR. Hyderabad is the only exception where both the occupancy as well as ARR grew in the year ended 2000. Web-based Hotel Reservations have also shown a growth of 400% and in the Heritage Sector the growth was as high as 600 per cent, according to a survey. However, direct enquiry (57.1 per cent) and travel agents & tour operators (18.7 per cent) continued to be the major source of reservations for Indian hotels. *(Average room rates of hotels decline, FE, 5/4/01)*

Some unexpected destinations have shown a growth in tourism while the old favourites are showing a downtrend. Cities like Kochi, Hyderabad, Mussourie, Patna, Vishakhapatnam have shown an increase in occupancies while others like Ahmedabad, Aurangabad, Chennai, Indore, Jodhpur, Shimla are going downhill. According to a survey by HVS International, rooms' revenue, generally considered to be the most important source of a hotel's overall profitability represented 55.9 per lent of total revenue across all hotels, a decrease from 57.5 per cent last year. The hotels saw a gain in revenues from food and beverage at 27.8 per cent. *(Tourism shows growth trends in unexpected destinations, Arshdeep Sehgal, ET, 8/5/01)*

Foreign Hotel Chains are thriving on the concept of franchising in India. More than 110 properties in the mid-market segment are expected to be operational in India by the end of this year, as compared to 45 properties in 1999 based on franchising alone. All International Bigwigs in mid-market segment like Best Western, Comfort inns, Quality Inns, Courtyard by Marriott, Holiday Inns, Park

inns, Country Inns and Suits are scouting for properties in India, which adhere to their standards and can be used to lend their brand names.

Earlier, franchising developments were in more up market segments, with brands such as Hyatt, Le Meridien, Radisson, Regent and Marriott. Now, it is spreading to the mid-market and budget sectors as well. There are still many international brands, which are yet to enter India. Many international companies were currently offering franchisees only in certain regions of the world but had not taken a decision on entering into India. *(Foreign hotels to book into Indian franchisees, Arshdeep Sehgal, ET, 30/6/01)*

Bangalore was the only City Hotel Market in India to register an increase in occupancy rate and a stable average daily rate (ADR) between 1999-2000 and 2000-01, according to the Bangalore Hotel Report brought out by Jones Lang LaSalle Hotels. *(Bangalore hotels better placed; report, Nina Varghese, BL, 21/8/01)*

The Department of Telecommunications has agreed that the hotels have been overcharging its customers, without passing on the accruals to the service providers. The hotels may henceforth, be forced to charge only the actual call rates from their customers, and drop the extra levy that is the norm at present. *(Hotel stay? Let phone calls not worry you, BL, 27/8/01)*

The Tourism Department has made a strong plea to the Finance Ministry to remove the levy of expenditure tax from Hotels, to which the ministry has given its consent. The centre collects RS 300-cr p.a. from hotel expenditure tax (HET). The HET is imposed on all hotel tariffs whose room rate is above Rs 2000 for a single room. It is still not clear when the HET will be completely abolished *(Expenditure tax for hotels may be scrapped, G Ganapathy Subramaniam, ET, 14/9/01, C30).* The hospitality industry has also requested the government to defer tax collections. The hotels are taxed on 3 counts by the authority. An expenditure tax of 10% on the room revenue is levied by the central government. A luxury tax again on the room tariff and sales tax on food and beverages by the State Machinery. They have also put forth requests to the State Government to either reduce the luxury tax by half or to defer tax collections. *(Hospitality industry asks govt to defer tax collection, Girish Rao, ET, 24/9/01)*

The Number of Indians applying for visas at the US-Embassy has plummeted from last year's levels after the Hijacked Plane Attacks in the US. Despite a drop in Delhi, the US consulates in Madras, which handles thousands of visa applications from the InfoTech Centres, has not noticed a fall in numbers. *(Indian visa applications for US take a hit, FE, 21/9/01)*

The International Corporate Travellers segment is expected to remain the largest source of room night demand (RND) for the five-star deluxe and five-star segments in India, even though after September 11 it has come under severe strain. But heavy reliance of these segments renders their performance sensitive to economic growth and FDI in India. The report says with many Indian and International Chains tying up with local partners, the growth of hotel room supply is expected to be driven by key cities like Mumbai, New Delhi, Chennai, Bangalore, Hyderabad, Goa and Jaipur. *(MNC lock stays on high-end hotels, Anil Urs, ET, 30/11/01)*

The Tourist's role in the Hospitality Industry the World-Over is undergoing a change. Until a few years ago most hotel chains were banking on business travellers to generate revenues. However, the scene is changing — especially for hotels in

the below-three-star category. Though it is important to realise the growing role of the tourist in the business mix, certain factors, exogenous to hotels, need to be taken care of. Tourist travel into India has not been growing at a rapid pace.

Though the number of tourist spots in India is much more than other Southeast Asian destinations, the country does not attract tourists. Why? One reason is the pricing system. The higher cost can be attributed to the higher tax structure. The Centre levies a 10% expenditure tax on hotels. The states also levy their taxes.

The other problem is the country's poor infrastructure. With travel becoming increasingly competitive in the region, travellers will not only look for locations but also consider the services available. Of these, the most important factors would be increasing airline capacity, provisions of clean drinking water and an efficient inland transport system.

The solution could lie in targeting the domestic traveller. Earlier, hoteliers were not keen on attracting domestic travellers to their doorstep. One reason was because the differential pricing system charged the foreign traveller more than it did the domestic traveller. However, that system no longer exists, and, given the drop in foreign travellers, hotels have to turn to the domestic segment for business. The other option would be to target business travellers.

Trends in occupancy and room rates

| Location | Average Occupancy rate (%) | | Average Rates (rupees) | |
|---|---|---|---|---|
| | 1998-99 | 1999-00 | 1998-99 | 1999-00 |
| Mumbai | 62 | 59.5 | 4306 | 3872 |
| New Delhi | 54.7 | 60.1 | 5506 | 4616 |
| Kolkata | 51.4 | 52.9 | 2829 | 2400 |
| Chennai | 64.7 | 58.7 | 1932 | 2229 |
| Bangalore | 52 | 57.1 | 3081 | 1349 |
| Hyderabad | 54.3 | 62.1 | 1207 | 1553 |

Source: FHRAI, *(Travellers get choosy and price conscious, BL, 16/12/01)*

**Excerpts from an interview with Mr R. Rangachari, Secretary-General, South India Hotels and Restaurants Association**

Recently we saw most of the country's big hotel chains earmarking funds for expansion. Given the state of the industry, why this expansion now?

I agree that some of the leading chains in the country are expanding. It is a good idea as they are preparing for the future. Of late India is being branded as affordable and it has lost its image of being poor. In course of time, we expect India to become an important destination on the tourist and business map. Second, the bigger chains are looking for possible convention-related business. Once you bag a convention, the capacity in terms of number of rooms should be high. Given the time required to construct rooms, the initiative to build capacity should be taken now. Though it is a risk, the returns could be higher.

There seems to be increasing focus on budget hotels. What are your views?
I agree that budget hotels are attractive. Even corporate are cutting down on costs and do not want to throw away money. We feel that there should be more medium-niche hotels. These hotels would be more saleable to International and Domestic Customers.

Do you see any consolidation in the industry?
In an industry such as hotels, mergers are difficult. Each hotel is different in its own right. Therefore, a merger fair to both sides is difficult to attain. Further, the clientele differs from property to property. In terms of consolidation, we see more management contracts and franchising happening over time. Chain hotels look for direct participation in the form of management contracts. In fact, almost every chain has set up management contracts in different parts of the country. *('Building traveller confidence, the key', Anup Menon, BL, 16/12/01)*

The year-end is witnessing domestic travellers flocking to hotels in destinations like Rajasthan, Himachal Pradesh and Uttaranchal to celebrate Christmas and New Year. It is unlike last year when a large number of travellers went abroad to celebrate the New Year. Hoteliers attribute this gush in domestic bookings to fear of travelling abroad, lack of spending power due to recession, and the crash in stock markets. They said most of the travellers either wanted to go to nearby destinations, which were accessible by air or were a few hours drive by road. To make things more lucrative, hotel chains like the Oberoi Group, Welcome Heritage, Taj Group and Choice Hotels have launched packages to attract tourists from the top-end to mid-segment categories to their leisure properties. *(Year-end smiles on hotel sector, Arshdeep Sehgal, ET, 20/12/01)*

Corporate accommodation hunting could not have got cheaper. With hotel room rates falling like ninepins, especially 9/11, it makes sense to give up expensive leased apartments. The flip side is that hotels, dogged by low occupancy, have found this a new and attractive market to sell to.

As a result, an increasing number of MNCs are moving their expatriate employees from expensive rented apartments to the competitively lower priced service apartments and hotel rooms, a phenomenon creating havoc in the real estate market. But more than the rates, the real clincher is the big discounted of free services these hotel rooms come with.

The Residency and The Mariott Have been popular. Mariott currently has 179 service apartments. These 'flat-lettes' that come with a living room, bedroom and a kitchenette, are on offer for $89 (Rs 4200) for a night. *(Leased homes make room for hotel in exec shift, MNCs move expatriate staff to hotel apartments as room rates crash post US attacks, Gurbir Singh & Lijee Philip, ET, 24/12/01)*

**C31 Resorts/country clubs/time shares**

Hilton

UK-based Hilton International has already identified four hotel & resort projects in India in Chennai, Mumbai, Delhi while the fourth location is still under wraps, according to the company's president (Asia & Australia) Koos Klein. Hilton International has announced its first initiative in the country, through a co-branding and management deal with the Sanjay Khan-promoted Golden Palms Resort & Spa- around 31kms from Bangalore. The chain has signed a 20-year contract to manage the property. As per the agreement, Hilton International would bring in its global expertise in total management- housekeeping, food & beverages, information technology and marketing — to the property. *(Hilton International sets sight on four locations in India, to co-brand with Sanjay Khan's spa, FE, 6/2/01)*

RCI & its affiliates

Time-share companies including RCI, had structured their Indian operators around smaller players in the hospitality sector, ensuring benchmark quality at chosen properties with emphasis on resorts at holiday spots. The trend is generally the

preferred style of vacationing by the domestic time-share clients. While domestic time-share players are yet to open their account at properties in big cities, tie-ups with large hotel chains are also few. RCI itself sporting just two locales (Goa and Munnar) from Club Mahindra and one (Goa) managed by Holiday Inn.

This could change in the next few months given the onset of over-capacity in some markets such as North Mumbai, where a clutch of premium hotels began operation in the recent past.

The impact of major economies slowing down is felt more by young hotel chains and new properties. Time-share tie-ups can help because a part of the room inventory can be parked with a time-share company for an upfront payment and business assured for a long time span. *(Hotels may join hands with time-share cos, making room in a crowded market, BL, 9/8/01)*

RCI India Pvt Ltd., the body that enables timeshare owners to exchange holidays, expects the timeshare industry in India to grow at a rate of 24 per cent. The Rs 1,000-cr timeshare industry, which got initiated in India in 1992 when RCI opened its subsidiary company in India, has been responsible for converting resorts into offering partial time-share facilities. The list includes the likes of Club Mahindra at Munnar and Holiday Inn at Goa. On the cards is Le Royal Meridien situated near the Mumbai airport, which would have almost 20 per cent of the hotel rooms converted into timeshare facilities to offer a branded product christened as 'The Luxury Club'. This would be the first boutique five star hotel within the city limits to offer timeshare facilities in the country. *(Timeshare industry growth outpacing hotels: RCI chief, Purvita Chatterjee, BL, 17/11/01)*

RCI says its business from India is actually on the rise since September 11. And it is also enthusiastic about future prospects that two of its companies based in UK, RCI Consulting & RCI Management Services will make their entry into the Indian market towards mid-2002 to help new developers to set up and run their resorts in a professional and profitable manner. The timeshare major is also looking to rope in some good resorts in Kerala and Rajasthan into its network.

The RCI India timeshare exchange platform has 50 resorts affiliated to it and over 40,000 owner families. In India since the timeshare user numbers is on the rise — about 1,500 member families on holiday per month now — RCI has taken some bold decisions, beginning with dropping about 48 resorts from its network during the last one year as they did not fulfil the quality and service standards required of a RCI-affiliated facility. It has also set up an association of resort developers called Airda, which basically spells out of the code of conduct and self-legislation for consumer protection. The move expects to make up for the absence of Government regulations to govern the functioning of holiday resorts in India unlike countries like the US, Australia, South Africa, Europe which are heavily legislated.

RCI has also made it mandatory for new entrant resorts to its club to take an insurance cover for its guests so that for whatever reason if it is not able to offer a holiday — as promised in the timeshare contract with its members — the insurance company relocates them to an alternate equivalent facility immediately.

Within India, Goa is the hottest holiday destination in demand from RCI timeshare owners largely because about 47 per cent of the members live in Mumbai. About 27 per cent live in the north and patronise Shimla, Mussorie and Manali, while 14

per cent are in the south that patronise Ooty, Coorg, Kodai and Yercaud. Incidentally, India as a Destination Country is ranked 19th on a list of desirable destinations worldwide by a recent Kuoni International survey. The strife torn Sri Lanka has a higher rating at position eight while Australia is number five. *(Post Sept 11, RCI claims to have ferried more tourists, Girish Rao, ET, 2/12/01)*

Forte Holidays

Mumbai-based Forte Holidays has launched a domestic holiday card in 1999 and has around 10000 members currently. The company has recently introduced the card in the south and expects 1/3rd of its targeted members from this region. By this November, the company plans to offer its domestic cardholders an upgrade to International Membership at an additional cost. Details of this need to be still worked out. *(Forte Holidays may remodel its domestic holiday card, FE, 15/8/01)*

Other resorts

Toshali Resorts International (TRI) is planning to set up around 9 new resorts across India within 2010. Each of these properties would be in the four-star category and have room numbers ranging from 50-75. They have already acquired land in Ooty, Raniket, Kodaikanal and Bhubaneshwar and are looking at options in Bangalore, Goa and Sikkim. *(Toshali to set up 9 more resorts across the country, ET, 1/9/01)*

Vani Vilas, the Oberoi Group's Newest Luxury Resort adjoining the Ranthambore Tiger Reserve in Rajasthan was opened. The accommodation consists of luxury air-conditioned tents, which have a private deck for sunbathing. A walled garden surrounds each tent, thereby ensuring complete privacy. A special feature of the resort is the private therapy suites. In a statement, the hotel will have trained guides who would accompany the visitors into the reserve. *(Oberoi resort opens at Ranthambore, BL, 21/11/01)*

The Ramapuram Holiday Resorts, which runs the Orange County in Kodagu, has planned to set up another resort in Kabini with an overall investment of Rs 10 cr. The Ramapuram group would raise 60 % of the finance required for the project from financial institutions while the rest would be met through internal accruals. The resort would be 35 per cent timeshare and 65% FIT (free independent travel). They anticipate tremendous scope for growth in Kabini as there were only three resorts and the demand was high. The group has also started a new company, Trails, which will provide management and operations consultancy to resorts. Currently, it has three projects on hand — the Eagleridge resort in Bangalore, Indus Valley in Mysore and the Kadavu in Calicut. The RCI Gold Crown award was given to Orange County Resorts. This award is considered to be the highest in the resort accommodation and hospitality industry. *(Ramapuram resorts set to go to Kabini, BL, 30/11/01)*

## C32 Travel Trade Associations

International Air Transport Association (IATA)

IATA is planning to introduce systems for electronic ticketing in India in the next two-three years. It is also planning to set up a training centre as well as cargo accounting and settlement system. Worldwide, 360 million paper tickets are printed costing close to $40 million. The cost of processing an airline paper ticket is $10 while an e-ticket would cost around $1. Electronic ticketing in the domestic airline industry in India can commence quite easily but for international airlines it may take two to three years. *(IATA plans e-ticketing systems, FE, 14/6/01)*

The Association is bringing together a diverse panel of experts from Airlines, Governments, International Organisations, Human Rights Groups and Commercial Interests to deliberate on the matter of migration. Dubbed Human Traffic 2001, the meet, which will be held in Atlanta on October 15-16, will serve as an open forum to discuss the wide-ranging issues associated with migration. The Goal of the Meet will be to focus greater attention on the actual scope of the problem and to identify appropriate solutions that can address the needs of states while recognising the contributions, concerns and capabilities of the air transport industry, During the past 15 years, IATA has been involved in efforts to help airlines protect themselves from this growing problem. To cope with this problem, which is increasingly getting out of hand, IATA has, a facilitation section that is actively involved in the work of various international bodies to ensure that the concerns of the airline industry are recognised and understood. *(IATA Oct meet to dwell on migration woes, Harjeet Ahluwalia, FE, 24/6/01)*

The decision of most International Carriers operating out of India to chop travel trade commissions from 9 to 7% from January 1, 2002, may impact the quality of services given by the latter to the high-yield first class and business class passengers, apart from marginally hiking the economy class market fares. Travel companies, over 1,500 IATA accredited agents, across India have been up in arms over the move to reduce airline commission in order to economise on distribution and marketing costs. However, airlines still pressing ahead with their decision with most of them including Air India, Indian Airlines, Lufthansa, British Airways, Swiss Air, Qantas and Singapore Airlines, having communicated in writing to the travel trade. Travel agents also invest on promoting airlines and their packages, an area that may witness some changes now. *(Travel agent commission cuts may hit service quality, Girish Rao, ET, 13/12/01)*

Hotel Association of India (HAI)

HAI has come out with a set of illustrative guidelines for disabled-friendly facilities to be provided by hotels in the country. Hotels have been asked to have exclusively earmarked and sign-posted accessible parking spaces nearest to the entrance and ensure that accessible routes in the lobby and public area are free from protruding objects that could be dangerous to guests with visual impairment. *(Hotels to become disabled-friendly, TH, 5/5/01)*

Federation of Hotels and Restaurants Associations of India (FHRAI)

FHRAI and the Travel Agents Association of India (TAAI) have signed an agreement to regulate and guide interaction between hoteliers and travel agents. The agreement, called the Code of Practice, is modelled on the Agreement on Code of Practice signed between the International Hotel & Restaurant Association (IH&RA) and the Universal Federation of Travel Agents Associations (UFTAA).

According to the press release, the basic tenet of the agreement is that hotels shall have a formal policy on matters such as commission to be paid to travel agents, maximum credit period allowed to travel agents, cancellation of bookings and cancellation fee. The agreement also says that the hotels shall offer the TAAI members terms and conditions, which are not less favourable than those given by them to their direct clients and others. *(Hoteliers, travel agents agree to work together, BL, 16/3/01)*

The FHRAI has urged the Central government to form a Cabinet committee to handle the problems faced by the industry. The committee should work as an apex body at the Centre to monitor the industry and redress the tourism industry's

grievances like high taxation, CRZ and inconsistency of Floor space index rules from state to state. The federation has also called for setting up of tourism councils at the states' level headed by the respective Chief Ministers. *(Cabinet panel for tourism sought, FE, 17/9/01)*

In its Pre-Budget Memorandum to the Department of Tourism, the Federation of Hotel & Restaurant Associations of India (FHRAI) has sought rationalisation of the present tax structure both at central and State Level for giving a boost to the Nation's Tourism Industry. *(Boost tourism with rational tax structure, says FH&RAI, Raja Awasthi, ET, 9/12/01)*

Pride, Progress and purpose- forming the theme of this year's convention of the Asian American Hotel Owners Association (AAHOA) — were manifest among the nearly 3,000 members of the organisation who gathered here. The AAHOA members together own more than 18,000 hotels, which have one million rooms and a market value of over $40 billion. This represents about 65% of the economy lodging properties in the US and almost 40 per cent of all hotel properties, paying more than $7-bn in annual wages and employing 430'000 people in full and part-time. *(Asian-Americans steal the limelight in hotel sector, ET, 17/3/01)*

The Hotels and Restaurant Association of Northern India (HRANI) has launched its **Travel Reservation and Information Centre (TRIC),** which will provide information on tourist destinations and instant reservation services for hotels in northern India to cater to domestic and international travellers. Along with normal hotel bookings, **TRIC** plans to **launch honeymoon packages, family holiday packages, educational adventure and incentive group tours etc. Other programmes would include religious tours, corporate picnics, outdoor team building, yoga packages and spa holidays**. *(Hotel body launches travel information centre, DH, 10/11/01)*

After years of discussions on Capping Commissions, International Airlines operating out of India have finally decided to reduce the standard commission from 9 to 7%. This decision is to take effect from Sep 15th. Airfares are likely to go up if travel agents decide to pass on the burden to passengers. The two large Travel Agents Associations, TAAI and TAFI have opposed this move saying there has been no dialogue with them on the subject. *(Intl airline cos cut standard commission from 9% to 7%, Cuckoo Paul, ET, 15/8/01)*

IATO has demanded that benefits under Section 80-IA/ 80-IB of the Income Tax Act should be made available to the tourism units too as they form an important part of tourism infrastructure and are instrumental in the development of tourism and employment opportunities. They have sought infrastructure status for tourism units such as hotels, travel agents, tour operators, convention centres and tourist transport operators. *(Tour operators for IT benefits under Section 80-HHD, Amiti Sen, FE, 13/2/01)*

The Travel Agents Federation of India (TAFI), Karnataka chapter, has called on the Government to ease immigration and visa regulations to promote tourism. Speaking at a meeting called to discuss problems in the airline industry, the federation pointed out the negative effect of these restrictions were on air passengers. *(Relax curbs to promote tourism, TOI. B, 30/12/01)*

Confederation of Indian Industry (CII)

CII has sought deregulation of domestic air services to stimulate growth of regional airlines and increase connectivity to areas that are remote and need economic development. Industry representatives said this in their reform agenda for development and growth of air services presented to the Ministry of Civil Aviation. The six-pillar structure of reforms in the aviation sector includes infrastructure, international air services, domestic air services, taxation, safety and regulatory framework. The CII advocated a 'master plan' for infrastructure development one, which outlined which airports, would be developed as key international hubs. In the domestic sector, the industry recommended dismantling of route dispersal system, rationalisation of aviation turbine fuel by reducing sales tax, promotion of small aircraft for regional airlines/shorter routes and more competition by allowing more players. Describing international services as important for promoting tourism the CII suggested liberalised bilateral and speedier privatisation of Air India to correct the imbalance in the demand and supply scenario. *(CII seeks deregulation of domestic air services, TH, 21/3/01)*

CII has asked the Government to reduce the presence of public sector in the aviation industry and encourage greater private sector participation through joint ventures and alliances. In a memorandum submitted to the Ministry of Civil Aviation as a run-up to the 2002 Union Budget, the CII has outlined a seven-point agenda for giving boost to the civil aviation sector.

- Three or four international airports must be upgraded to international standards through private participation.
- The high cost of aviation turbine fuel, which accounts for 40 per cent of an airline's operating cost, was a major constraint to India's competitiveness and made small aircraft operations unviable.
- The Inland Travel Tax needed to be reviewed as it adds up to an additional 15 per cent cost of the airfare. It suggested that either the IATT be abolished or alternatively a mechanism be established to ensure that the entire amount was ploughed back into aviation infrastructure.
- The levy of customs duty on the import of aircraft had placed an additional financial burden. It was felt that the customs duty of three per cent on aircraft and helicopters should be withdrawn and benefits similar to the shipping industry be extended to the aviation industry.

*(CII for greater private role in aviation,)*

In an effort to provide an impetus to the tourism industry CII has called for enhancing Plan outlay for tourism to 5 per cent from the present meagre level of 0.11 per cent, so that quality infrastructure can be built. In a background paper for the second international conference cum showcase 'India: Tourism and Heritage—Challenge 21', the chamber has said that though the incidents of September 11 will disrupt the steady growth of the industry, there is a need to change strategy to face the crisis. Further it has said that the fears of a recession in the industry are "completely unfounded." CII has also suggested tapping international markets other than the conventional ones and also focussing on domestic tourism to give a boost to the sector. *(Hike plan outlay for tourism: CII, BL, 16/10/01)*

In a proposal submitted to the Tourism Ministry the CII has said the Draft Tourism Policy should spell out a clear roadmap achieving the objectives outlined with a fixed time frame for implementation. The CII asked ministry to come out with clear guidelines for private sector participation in the tourism sector. The

Government's intention to play a pivotal role in tourism management and promotion could severely restrict the scope and role of the private sector. CII also recommended that the role of the Government should ideally be that of a facilitator which would take care of all Inter-Ministerial co-ordination and linkages since Tourism was influenced by various Ministries, including External Affairs, Finance, Home, Civil Aviation, Forests & Environment, Commerce, as also the States.

For promoting brand equity, the chamber recommended that the Centre promote a composite India brand while states build their own individual identity and brand in the international market. States could also involve the private sector to evolve marketing campaigns.

On the issue of taxation, CII said there was an urgent need for uniformity and rationalisation of taxes and hotel tariffs. The principle of moderate taxes, better compliance and greater volumes should also be applied to the tourism sector. *(CII seeks roadmap for tourism industry, FE, 25/5/01)*

CII has called for setting up a Cabinet Committee on Tourism, under the Chairmanship of National Tourism Board to ensure rapid growth of the sector. CII suggested that the committee should comprise heads of all related agencies including Ministers from Departments such as Finance, External Affairs, Tourism, Civil Aviation, Surface Transport Railway, Human Resource, Forest and Environment and Information Technology. Expressing its broad agreement with the Draft Tourism Policy, it has highlighted the omission of HRD aspects in the policy. *(CII moots national board for tourism promotion, FE, 31/8/01)*

CII has said that a uniform tax structure is essential to make India a Competitive Destination in the World Market and a cap of 20%, inclusive of all taxes should be imposed on tourism. In a Memorandum to the Ministry of Tourism calling for rationalisation of taxes in the sector, the chamber has said that the multiple tax structure has a cascading effect and adds up to 30-40% of the hotel bill, compared to the overall 5-20% combined taxes in Southeast and East Asian countries. *(CII calls for tax reforms to boost tourism, BL, 27/12/01)*

FICCI

FICCI has mooted a 8-point agenda to revive the Tourism Industry in India from the adverse effects after the terrorist attacks. The agenda is based on improving the employment potential of the industry as well as generating FEE. The agenda includes:

- Attracting US bound tourists to India,
- Focus on domestic tourism,
- Identifying potential packages and circuits,
- Rationalisation of tax structure,
- Tourism—friendly tax aviation policy,
- Infrastructure status for tourism,
- Relief from the financial institutions to the industry and
- Policy initiatives.

*(FICCI moots 8-point agenda to revive tourism industry, Richa Mishra, BL, 20/11/01)*

World Tourism and Travel Council

The WTTC has suggested that in order for the country's travel and tourism to meet its full potential, the government needs to tackle a number of barriers, including raising awareness of the strategic economic and job-creating importance of the industry. The study brought out by them in collaboration with OEF has

suggested that the government should liberalise the visa regime by abolishing visas to major tourism generating countries, and by offering visa on arrival for the remaining countries. The council said that one of the major reasons India having one of the fastest growing demands for tourism services is a surge in domestic tourism, which has grown from 64 mn to 176 mn tourists in the last decade. *(Ease visa norms to meet tourism potential, BL, 5/8/01)*

Experience India Society

In a first ever effort to market India as a brand, domestic hospitality majors Taj, Oberoi, ITC, Thomas Cook, Kuoni and SITA Travels have joined hands with the government to launch an international marketing campaign. The 'Experience India Society' formed under private sector participation will work closely with the MoT to jointly promote India as a brand. *(Hospitality majors join hands with Centre to market India, Rajeev Jayaswal, FE, 21/8/01)*

All the three apex chambers (CII, FICCI and ASSOCHAM) have hailed the decision to set up a tourism advisory council that was announced after the meeting between the PM, CMs and the tourism ministers. But they have put forth their view of whether another tourism council is really needed and what is to be the scope of this one. Aspects that didn't find a mention post the meeting were the visa on arrivals and the one-year tax holiday- both of which were anticipated by the chambers. It was also felt that there should have been an integrated policy between the tourism department and the civil aviation department. *(Tourism meets fails to enthuse industry, BL, 2/11/01)*

## Co. Companies

### Hotels

Hotel Corporation of India

In order to complete the disinvestment of Hotel Corporation India (HCI) ahead of its parent, Air India (AI), the Government may be forced to resort to a 'slump sale'. The slump sale could see individual HCI properties being sold independently along with the entire asset and liabilities to the highest bidder. HCI owns five properties in Mumbai, Delhi, Srinagar and Rajgir (Bihar) under the 'Centaur brand name, besides the flight catering division, all of which are to be divested. *(Govt may have to resort to slump sale for Hotel Corpn, Nithya Subramanian & Ashwini Phadnis, BL, 30/4/01, C30).* The properties have been valued at around Rs 650-700-cr. Some of the Major International Hotel Chains that had originally showed interest but have now dropped out of the race are Hilton International, Raffles Holdings, the Ambassador Group and Forte Group *(Centaur Group properties valued at RS 650-700-cr, 8 bidders opt out of race, Piya Singh, TOI, M, 8/3/01, C30).* Indian Hotels, EIH Ltd and Kamat Hotels are the few domestic hotels that had bids for the hotel chain. *(Indian Hotels, EIH keen to acquire Hotel Corporation, Kailash Rajwadkar, FE, 23/5/01)*

The divestment of HCI has hit practically come to a standstill with bidders asking for warranties on sale proceed for 5 HCI properties. While at the Government level it is felt that the maximum warranty to the bidder could be given at 5% of sale proceeds, bidders have asked for a higher percentage. *(HCI divestment hits a speed breaker, Jayanta Ghosh, TOI, B, 14/7/01)*

The divestment of HCI has entered a deadlock with the advisor and HCI officials having differed opinions over the amount of compensation due to the bidders,

against pending legal cases of the employees with the HCI management. The compensation will be given in terms of warranties as a proportion to total sales proceeds. While the advisor Jardine Fleming has recommended that warranty should be 20% of the total sale value, HCI officials said that it should not exceed 5% of sale proceeds. *(HCI sale runs into roadblock, Jayanta Ghosh, TOI, M, 21/8/01)*

The Air India (AI) board approved the creation of a special purpose vehicle (SPV) — Tulip Hospitality Services Private Ltd (THSPL) — for facilitating the divestment of the Government's equity in the Juhu Centaur hotel property in Mumbai. The SPV was created by Mr *Ajit Kerkar's* Tulip Star Hotel Ltd to arrange funds for the acquisition of Hotel Corporation of India's Juhu property. Mr Kerkar's firm had won the bid for taking over the property by quoting Rs 153 Cr last week. However, this move was considered to be illegal as the entity that had placed the initial bid and the one from which the financial bid was accepted were separate. But hotel officials say as long as the same party, which put in the initial bid, has also put in the financial bid, it should not be a matter of concern. *(Air India Okays SPV for Juhu hotel takeover, Ashwini Phadnis, BL, 21/11/01)*

The Ministry of Disinvestment has agreed to extend the deadline for the full and final payment of the purchase consideration for the Hotel Corporation of India's Centaur Hotel property in Juhu Beach, Mumbai. Tulip Star Hotels Ltd was to have paid 10 per cent of the bid price of Rs 153 cr to HCI and deposited the balance 90 per cent in an escrow account on or before December 21, 2001. Sources said that the MoD has now agreed to Tulip's proposal to pay the initial 10 per cent of the bid price amounting to Rs 15.3 cr to HCI on or before December 31, 2001. Besides, certain conditions have been imposed for allowing the Tulip Star to deposit the balance amount of Rs 137.70 cr by January 31, 2002.

However, the Ministry has also made it clear that there shall be no further extension to sign the agreements of sale beyond January 31, 2002. Sources said that the MoD is understood to have now placed a condition that the bank guarantee of Rs 5 cr can be encashed by Air India if Tulip does not make the payment and execute the agreement by January 31, 2002. *(Tulip Star gets more time for Centaur payment, Ashwinin Phadnis & K R Srivats, BL, 25/12/01)*

Great Eastern Hotel

Another hotel up for sale is the Great Eastern Hotel (GFH) run by the West Bengal government. Several issues yet need to be resolved with Accor Asia Pacific (AAP) with whom the West Bengal Government is negotiating for a possible hand-over. Once the issue of the protection of the 500-odd workers is the Government would then go in for a 30-year lease with AAP for restoration of the Hotel as a Five-Star Heritage Hotel along with management control. *(Great Eastern Hotel handover hinges on VRS, tenancy issues, BL, 27/5/01)*

ITC

ITC Ltd, owners of the Welcomgroup of hotels, has sought the government permission for a foreign technical tie-up for international marketing and reservation of its hotels. The group, which has about 15 hotels in the country already, has a global tie-up with the Sheraton chain for a few of its hotels. *(ITC seeks foreign tie-up for Welcomgroup, TH, 4/1/01)*

Its other plans include tying up with at least seven new properties across the country to step up its focus on catering to the budget travel segment. In order to position the chain effectively across different segments, a new branding policy

has been introduce. While super deluxe properties would carry the prefix 'ITC', the star hotels would be branded as 'WelcomHotels', heritage properties positioned as 'WelcomHeritage' and the mid-market 3-4 star hotels marketed under the banner Fortune Park Hotels (FPH). (ITC to charm budget sector with FPH line, ET, 28/2/01)

They have also started an innovative water management mechanism in view of the heightened pressure on water supply in cities. The group will take up water management in all its units. To prepare key consumers on water management, it was necessary to focus attention on hotels, power plants and process industries. In Delhi, hotels consumed more than 12 million litres of water a day. *(ITC Hotels' chain takes up water management, BL, 15/5/01)*

Excerpts from and interview with S S H Rehman, MD, ITC Hotels

What is WelcomJawan all about?

The endeavour commenced initially with schemes evolved during cordial exchanges between ITCHL and the Army. This gradually turned into a corporate endeavour. Realising the need for close co-ordination with the welfare directorate of the Service Headquarters and also within the corporate group itself, a separate chair for an advisor at the corporate office, manned by a retired Brigadier, was set up in 1977.

What are scheme's corporate objectives?

The main objective is to provide opportunities to ex-servicemen for training for a career in the hospitality industry assist them in their re-employment and provide the service officers' wives an opportunity to train for a career in the hotel industry.

Could you elaborate on what is the Welcomspot?

The road network in our country must grow manifold. There is a need to have stopovers every 100-km, especially on the highways. The scheme that envisages the tourist facility as a Welcomspot (for short-halt necessities) or as a Welcomspot (for long-halt necessities) is on the anvil. The scheme provides assistance by way of training for an ex-serviceman entrepreneur, training for his key staff and assistance in creating the infrastructure and in marketing the facility.

*('ITC Hotels' schemes for ex-servicemen have been mutually beneficial', Huma Siddiqui, FE, 7/12/01)*

Indian Hotels Co Ltd. (IHCL)

IHCL that owns and manages the Taj Group of Hotels plans to start operations in the Gulf region. The company has secured a 14-year management contract for a 5-star hotel in Dubai from the Juma al-Masjid Group that has invested $90 million in it. Also moving ahead on its initiative of packaging and marketing cluster destinations where it operates hotels (like it has done in the case of Sri Lanka-Maldives-Kerala), Taj is planning a Middle East package combining Dubai, Oman, Sanaa (in Yemen) and Egypt. Repositioning and upgradation of some of the existing properties is also on, with investments of close to $20 million involved. *(Taj maps out $20-mn overseas plan, Deepanjali Bhas, TOI. M, 7/2/01)*

They have tied up with the Chaudhari Group of Nepal as its strategic partner for floating its holding company, Taj Asia. The strategic partner plans to pick up 50% in the joint venture company; the remaining stake will lie with Indian Hotels. This follows the company strategy to expand operations in Southeast Asian countries, where the proposed holding company, Taj Asia, will act as the vehicle for acquisitions. The other restructuring exercises of the Taj group is to reduce the number of its subsidiaries from 7 to 3, they plan to acquire new properties in Manhattan, Egypt and Peru, plans to expand in Europe, strategy being to buy into a flagship brand and grow it. *(Indian Hotels joins hands with Nepal group to float Taj Asia, Anindita Dey, FE, 7/3/01)*

Indian Hotels has signed a MoU with the Archaeological Survey of India for preservation, restoration and conservation of the Taj Mahal and its environs under the National Culture Fund. The Group will take up specific projects for conservation and provision of better facilities at the Taj Mahal. The group will source expertise from various institutes, which have conducted studies on the monument. The Taj Group has already been restoring and conserving heritage properties like the Rambagh Palace and Jai Mahal. *(Indian Hotels to spruce up Taj Mahal, 23/6/01)*

IHCL has gone in for a major organisational restructuring. They are working towards:

- Gearing up for a contemporary look
- Moves to beat competition from International Chains
- To reduce hierarchy levels from 8 to 5
- Plans foray into budget segment under a new brand name
- Staff compensation to be more incentive-linked.

*(Indian Hotels goes for rejig to stay ahead in the race, Arshdeep Sehgal, ET, 7/7/01)*

Aguada Herimitage, has gone on a two-phase renovation. The first phase will cost Rs 10-cr while adding 32 new rooms along with a lobby and two new restaurants. The second phase would add another 32 rooms at a cost of Rs 5-8 cr. *(Aguada Hermitage goes for renovation, FE, 6/9/01)*

Taj GVK Hotels & Resorts Ltd, the RS 54-cr joint venture company between the GVK group and Tatas, which is currently operating three five-star hotels in Hyderabad, has drawn up plans to take up a major diversification. As a part of this diversification programme, the company proposes to set-up a health resort with golfing facilities at Himayatsagar, Hyderabad at an initial investment of Rs 17-cr. *(Taj GVK plans health resort in Hyderabad, C.R.Sukumar, BL, 15/9/01)*

Covelong Beach Hotels (I) Ltd. and Coromandel Hotels Ltd. are to be merged with Oriental Hotels Ltd. All the companies are part of the Taj Group. The BOD took a decision on the merger. A press release stated that the proposed merger would result in cost saving arising out of combining resources in different areas of operations. It was anticipated that post-merger, the revenues of Oriental hotels Ltd., as the merged entity would be higher by 15%. *(Covelong, coromandel to be merged with Oriental Hotels, BL, 27/10/01)*

The leisure hotels SBU (strategic business unit) of the Taj group has not suffered a steep slide in occupancy rates post-September 11, because of the divisions ongoing focus on domestic clientele. Currently, the leisure division's mix of international and domestic tourists is 35:65 during summer, reversing to 65:35 during winter.

The domestic traveller component is even now on the rise. Properties at Rajasthan, Goa and Kerala fetch the highest business.

The Taj has three SBUs, comprising hotels in the luxury, business and leisure segments. Luxury hotels that contribute most to IHCL's bottomline are also the ones facing highest business adversity as fallout of the World Trade Center terrorist attack and the consequent slow down in the travel and tourism trade. The leisure division contributes to roughly 20 per cent of' IHCL's revenues. Leisure properties, which have been renovated, include Lake Palace - Udaipur, Taj Malabar - Kochi, Fort Aguada Beach Resort - Goa and Fisherman's Cove - Chennai. Broadly, the framework for positioning afresh the group's leisure properties was based on renovation, locale specific recreation and cuisine, creating niche products, selling to corporate clients and devising products that offer a complete destination experience. In tune with the division's domestic focus, the 'Taj Holidays' programme for the forthcoming season is targeted specifically at the domestic market and is designed to provide the complete holiday experience at optimal costs. Schemes on offer include zero per cent EMI scheme with select banks that allow the customer to enjoy a holiday and pay over a 6-12 month-period. Interest is borne by the hotel. *(Domestic focus insulates Indian Hotels, BL, 28/11/01)*

IHCL is substantially reducing the number of cross-subsidiary companies in its fold, in a bid to improve cash flows and bring in a greater level of transparency. At present IHCL have 60 cross-subsidiary companies across the board. Companies with synergies would be merged to cut down the number of companies, which would assist in streamlining the entire operations.

The end of 2003 would complete the entire process of merging companies. Another logic of reducing the number of companies is to help boost the share price of the merged companies. Merging of cross-subsidiary companies is the second step towards restructuring across the Taj group.

Over the years, the Taj group has set up several operating arms under IHCL, given the complexity involved in funding hotel projects. Even now, some of the hotels controlled by the group are owned by subsidiaries. For instance, the Taj President in Mumbai is owned by Piem Hotels. As part of the restructuring the Taj group is laying greater focus on food and beverages (F&B). *(Indian Hotels to curtail number of cross- subsidiaries, Prasanna Upadhyay, FE, 17/12/01)*

IHCL is coming up with new hotel in Maldives, under the Taj Asia umbrella. The hotel, to be called Maldives Taj Exotica, would be located on an island called Emboodhu Finolhu, 8 km from Male International airport.

Back home, IHCL is planning to set up 'Budget' hotels in smaller cities and towns in India. The company is working on the plan and a model Budget hotel would be initially set up either in Mumbai or Bangalore in the next three to four months.

Depending on the demand, the group would decide a future course of action, adding that the detail of the Budget hotel concept is being planned out. *(Tata Firms Eye Foreign Pastures, Indian Hotels plans to set up hotel in Maldives, Prasanna Upadhyay, FE, 21/12/01)*

After losing out in the race to buy The Carlyle in New York, IHCL has now set its sights on The Lanesborough, a 5-star deluxe hotel in London. Though the value of the property is not known, investment bankers say it could be the same as

what IHCL was ready to pay for The Carlyle. The Taj Group was within a handshake of acquiring The Carlyle in October last year at a price of about $143 million (Rs 658 cr) but a delay in putting together the structure of the holding company, forced the owners of the Carlyle to accept the offer made by Rosewood Hotels & Resorts. Interestingly. The Lanesborough is a Rosewood property. *(Taj Group targets London's Lanesborough for takeover, George Cherian, ET, 17/12/01)*

Leelaventure

Three international hotel chains— Ritz Carlton, Oriental Mandarin and Raffles owned by the Singapore government —are in race to pick up a minority stake in Hotel Leela Venture Ltd., which owns four five-star hotels in the country. The negotiations come close on the heels of the Leela Group deciding to call off its joint venture agreement with the European hotel chain — Kempinski Group. The joint venture with Kempinski was only marketing one. *(Three in race to pick up equity in Leela Group, Baiju Kalesh, TOI, M, 26/2/01)*

They also have plans to expand into the US and Gulf once its India-projects are complete over the next year or two. It is looking at alliances with leading hotel chains like the Taj Group for yield improvement, joint promotions etc. The Leela Palace in Bangalore is expected to be commissioned in July this year while the 90 room Udaipur property is likely to be ready by end-02. Besides, the group is acquiring land in Bakel, Kerala to develop a Health Resort in collaboration with an International Chain. Meanwhile, it is putting together aggressive marketing plans for its Mumbai, Goa and Bangalore hotels. *(Leela to check in US, Gulf soon, Girish Rao, ET, 26/4/01)*

Leela Venture is eyeing a presence in Hampi and Hassan in Karnataka to form a network connecting tourists visiting Goa and Bangalore to the Historic Sites of Hampi and Belur-Halebid. It also hopes to bag 1-2 ITDC properties in Delhi for which it has bid. While its Udaipur hotel will be ready by the middle of next year, it also wants to have a presence in Jaipur but will only do so after entering Delhi. Prospects in Chennai are also being looked at. *(Leela Venture for foray into Hampi, Hassan, TOI, B, 17/8/01)*

Leela Palace is aiming to reach an occupancy rate of 60% by October. They are aiming to target group-based and conferencing parties to offset the drop in travellers' segment to achieve its bottomline in about three years when it becomes fully operational. *(Leela Palace occupancy rate to see a hike, BL, 28/9/01)*

The $1.5-billion Hong Kong based Mandarin Oriental Hotel is set to pick up a 25% stake in the Leela group of hotels for Rs 250-cr. According to industry sources, the debts in the Leela group of hotels are more than Rs 600 cr. Mandarin hotels will invest between Rs 225 and Rs 250-cr in picking up 25 per cent equity stake. The current management at Leela group holds 80 per cent equity stake which will come down to 55 per cent once the deal is through. *(Mandarin Oriental set to pickup 25% in Leela, Raja Awasthi, ET, 3/12/01)*

Oberoi Group

The Oberoi Group announced its summer packages at a meeting attended by 100 travel agents. The strategy seems to be to target 'The upper end of the domestic tourist market by offering packages which are considered attractive even when compared with those involving foreign destinations. The group is focusing on a package called Trident Holidays (Oberoi set to woo domestic tourists, ET, 14/4/01)

As their ongoing expansion and promotional drive, the group is set to open two resorts in Jaipur and kick off its expansion plan in Morocco by the end of this year. The company has floated a special purpose vehicle, EIH International to invest in hotel projects abroad. EIH International is registered in British Virgin Island. *(Oberoi group set to open two resorts in Jaipur ...start expansion plan in Morocco by year-end, Rajeev Jayaswal, FE, 25/6/01)*

*It plans to invest close to Rs 1000-cr in three on on-going and future hotel projects. As a part of this plan, EIH is constructing a luxury hotel in Morocco, in collaboration with the North Africa-based Oberoi Groupe, entailing an investment of $35-mn. (Promoters to raise stake in EIH through creeping acquisition, TH, 22/8/01)*

Bharat Hotels

Bharat Hotels Ltd has tied up loans worth Rs 300-cr to expand its hospitality business, with a plan to add up to four more hotels to its existing two properties and two under construction at Mumbai and Goa. They have also sent in their EoIs for 2-3 hotels of ITDC and HCI. *(Bharat Hotels for Rs 400-cr expansion, TOI. B, 10/9/01)*

Blaming the ITDC for not briefing the employees of the Ashoka Hotel, Bangalore, properly on their future, the new management of the hotel has declared that there will be no retrenchment of workers although they can avail the attractive voluntary retirement scheme (VRS). Mr Suri also said that though the hotel industry room-employee ratio should be 1:1.5, which means that for 182 rooms of Bangalore Ashok, the employee strength should be around 250 as against the current 359. Most of these employees could actually get covered in services that are usually subcontracted. According to the BHL promoter, in the first phase of modernisation over 18 months, the management plans to renovate the entire hotel and in the second phase, go for expansion of the hotel by adding more rooms and facilities. *(No retrenchment of workers, says new management, Voluntary retirement scheme for Hotel Ashok, DH, 25/11/01)*

The Lalit-Suri promoted Bharat Hotels Ltd will have to model its voluntary retirement scheme (VHS) for the employees of Hotel Ashok Bangalore on the Gujarat pattern. As per the VRS scheme modelled on the Gujarat pattern, employees of loss-making public sector enterprises will be entitled to receive a compensation equivalent to 35 days salary for each completed year of service and 25 days salary per year of service for the term of service left until superannuation, subject to certain conditions. Based on this pattern, the average cost of VRS for non-executives would be about Rs 2.7 lakh, and about Rs 5.1 lakh for executives. Bharat Hotels Ltd has also been given the freedom to rationalise overtime and manpower costs in line with industry trends. *(Hotel Ashok VRS to follow Gujarat model, BL, 7/12/01)*

Kempinski Group of Palace Hotels and Resorts

The Group has decided to set up ayurvedic rejuvenation centres at all its properties worldwide. The project would be executed with the assistance of the Kerala-based Softouch Ayurvedic Centre. *(Kempinski adds ayurvedic flavour to its resorts, BL, 8/7/01)*

Kempinski Hotels & Resorts have signed a sale and marketing agreement with Leela Hotels in Bangalore. This is the third Leela hotel, Kempinski entered into an agreement, the first two being The Leela Kempinski in Mumbai and The Leela Palace in Goa. Following the agreement, Leelaventure would be able to run the loyalty programmes run by Kempinski. The Kempinski Hotels would serve as a feeder market by getting international bookings through their network of 33 hotels and resorts worldwide. In addition to this, the staff at Leelaventure would also

get international standard training in hotel management by the Kempinski group. *(Leela Hotels Bangalore pact with Kempinski, FE, 7/11/01)*

Le Meridien

Le Meridien Hotels & Resorts is looking at entering into marketing alliances for its stand-alone hotel properties in Kerala. This would be the first time in India that Le Meridien would be entering into a marketing alliance for a hotel property without its brand name. It is also investing around Rs 52 lakhs to bring in its international reservation system 'Fortres' to India to enable online reservation with all hotels in India to provide real time quotes *(Le Meridien to form marketing alliances for properties in Kerala, Kailash Rajwadka, FE, 26/2/01)*

They also plan to set up self—catering mini apartments in the mid-market (budget) segment in India. The company is looking at 17 locations, mostly small cities like Ooty, Ahmedabad, Hyderabad and Jaipur among others. A third party will incur the construction cost while Le Meridien would continue to manage and operate it. *(Le Meridien plans foray into an apartments hotels, Kailash Rajwadkar, FE, 13/4/01)*

The Le Meridien Delhi is looking at marriages, the newly launched 'Gateways of India' packages and getting more flight crews to stay with them to boost revenue generation and offset the downturn of the industry. The company has lost something to the order of Rs 2.5-cr after the post Sept 11th attacks. *(Special packages from le Meridien, Ashwini Phadnis, BL, 24/10/01)*

Le Meridien Hotels and Resorts plan to add 10-12 Hotel Properties in India in the next four years. The group will follow the management contract route for its proposed additions in India. *(Meridien draws up expansion plans, BL, 29/10/01)*

Best Western

The US-based Best Western International, is eyeing a major share of the multi-million mid-market hotel industries, and will strengthen its presence in the region by bringing in over 15 hotels under its umbrella during this year. Best Western, a key franchise brand in the country, which provides services such as pricing structure, quality control, training, marketing support and an international platform to compete, has already established its name in Mysore, Munnar, Hyderabad, Kochi and Chennai. (Mid-market hotel industry, Best Western eyeing northern region, BL, 17/4/01)

Other properties

Howard Johnson International Inc, a mid-scale hotel industry leader, has announced the signing of a master franchise agreement with Monarch Hospitality Services Private Ltd that calls for the development of 15 hotels in India over the next five years. Under the agreement, Monarch Hospitality Services Hotel in Udhagamandalam, Coimbatore and Masinagudi, with a total of 132 rooms, immediately will convert to the Howard Johnson ® brand. The company plans to develop Howard Johnson hotels in Kolkata, Chennai, Mumbai, New Delhi, Bangalore, Hyderabad and Ahmedabad. Monarch Hospitality Services will have the ability to use a network of global sales offices that reach more than 30 countries. *(Mithun's Monarch, US hotel chain tie up, BL, 17/3/01)*

Hearing in the appeals filed by Ms. Jayalalitha against her conviction in the Kodaikanal Pleasant Stay Hotel case has begun in the Madras High Court before Justice N Dinakar with her senior K K Venugopal contending that a note put up by an official against relaxation of building rules and regulations in favour of the

hotel to enable it to construct seven additional floors was never brought to her notice. Had it been brought to her notice she would have reconsidered her decision. (HC hearing in Kodai hotel case begins, DH, 10/11/01)

**Travel Agencies/ Tour Operators**

Thomas Cook

The Monopolies and Restrictive Trade Practices Commission (MRTPC) has issued a notice to Thomas Cook for indulging in unfair trade practices (UTP). The Commission has also directed Thomas Cook to stop advertising false and misleading claims in respect of its own tours while disparaging the tours of SOTC. This notice has been issued to protect the interests of the consumers who generally approach the tour operators or travel agents for package tours abroad, since it is the booking season for the summer tours abroad. A complaint was filed by Kuoni Travel (India) Ltd. *(MRTPC notice to Thomas Cook, BL, 16/2/01)*

A Delhi businessman claiming that his family who were on a cruise organised by Thomas Cook were off-loaded at Bahamas last year filed another suit against the company. The MRTPC has sought reply from Thomas Cook (India) while issuing notice to it. *(Rs 30-lakh damage suit against Thomas Cook, IE, 28/5/01)*

Thomas Cook India Ltd's Internet services division, www.thomascook.co.in, has launched a travel related concept- 'Virtual Tours'. It offers detailed itineraries and downloadable brochures and images of Thomas Cook's summer 2001 tours, covering Europe, US, Mauritius, the Far East, Australia and New Zealand. ('Virtual tours' from Thomas Cook, BL, 20/2/01)

But within a span of two months they have drastically scaled down its Internet initiatives. The travel and foreign exchange company, which had planned to buy up two to three dotcoms in the travel, technology and affiliate spaces and integrate them into its site at thomascoook.co.in, to offer a complete travel portal for consumers, has shelved its plans in this area. *(Thomas Cook turns shy on ambitious Net plans, Yassir A Pitalwalla & Cuckoo Paul, ET, 13/4/01)*

The Company plans to tie up with its UK-based parent to bring in 16 charter flights per week to India and will offer package tours to these holiday-makers. Thomas Cook Holdings, UK, will now bring some 40,000 passengers a year on its six airlines Sun World, Flying Colours, Inspiration, JMC, British Caledonian and Condor into Goa and Kerala starting October this year. The agency has also applied for starting an outbound charter service from India, which it believes, is very profitable. However, the proposal is still pending with the ministry of civil aviation. *(Thomas Cook ties with parent to bring in charter flights, Piya Singh, TOI. M, 19/5/01)*

Even as Europe's second largest travel company, Thomas Cook, announced that it will axe 2,600 jobs as it faces a 12% fall in booking, its Indian arm is getting ready to reduce its branches in the country and has not ruled out a reduction in the workforce. The company has launched an exercise to combine some of the 50 branches that are spread across 16 countries. In Europe it has grounded some charters and closed 100 travel agencies. *(Thomas Cook readies to merge branches, Piya Singh, TOI, B, 29/10/01)*

MRTPC has made an interim ruling against Thomas Cook on a case filed by Cox & Kings (I) Ltd and SOTC. In advertisements published during February Thomas Cook has made a direct comparison of their tours with those of Cox & Kings. Both Cox & Kings and SOTC have made the complaint stating that the ads

misrepresented the packages tour and therefore misleading customers. The MRTPC order has held that Thomas Cook's ad is false and had the effect of misleading consumers to make wrong choice of tours. It has also passed an injunction against Thomas Cook from issuing such advertisements. *(Thomas Cook ads misled travellers; MRTPC ruling, TOI, M, 5/11/01)*

Cox & Kings

Cox and Kings, a leading tour operator, has aggressively launched its Europe 'Duniya Dekho' 2001 package. They have also started marketing packages in South India. The company has expanded its distribution to over 78 representatives in the category of GSA and passengers sales agents. In the packages care would be taken to send guides who speak the same language, food habits like Jain meals would also be taken care of. The company has introduced cruises to the Bahamas, Mediterranean, Alaska, Greece and the Far East. It also plans to introduce Spain as its new destination. *(Cox and Kings unveils Europe package, Nina Varghese, BL, 3/3/01)*

Kuoni

Kuoni Travel India Ltd. the wholly owned subsidiary of the $2.3-billion Swiss Company Kuoni Travel Holding Ltd. is all set to become the first travel and tourism company to be listed on Indian brochures but plan to wait till the Sensex stabilises. The Company is also exploring the possibility of achieving growth through the take over route. 'The first of these acquisitions is to happen soon. The process of due diligence in the small company has already started. Meanwhile, SITA World Travel Inbound Division, a subsidiary of Kuoni Travel Holding Ltd. has launched E-Holidays (www.sitaindia.com). Among the different categories of itineraries on offer under the best sellers are 'India for first timers', 'Religious encounters', 'Special interest', 'Off the beaten track', 'Re-live the past', 'Explore and discoveries'. *(Kuoni Travel waiting for right time to tap market, Swiss parent to dilute 25% stake, BL, 10/5/01)*

Kuoni India has announced the take-over of Tour Club, a Mumbai-based destination management company specialising in inbound tours to India from the Gulf. Kuoni plans to acquire six more companies in the incentive travel, adventure tourism and tourism businesses. *(Kuoni India spreads wings further with Tour Club takeover, ET, 4/7/01)*

In a bid to strengthen its foothold in adventure tourism, the Group has showed interest in acquiring Eco Adventure Tours, which specialises in arranging adventure activities. It has been actively buying out companies such as SOTC, SITA Travels and Tours Clubs. *(Eco Adventures may turn next Kuoni target, ET, 13/7/01)*

In a bid to propel itself into the big league in business travel in India, Swiss travel major Kuoni will acquire two Indian business travel companies next year through its subsidiary Kuoni Travel India. In addition, Kuoni India will enter into a 50:50 joint venture with an overseas business travel firm. All three deals will be completed by June '02. Kuoni India also plans to enter the domestic travel market in March '02. The company is currently in the middle of setting up a separate division to cater to the domestic market. The division would be manned by marketing and operations staff, who are currently part of Kuoni India's existing workforce. The company will initially focus on the NRI market in the US to launch its domestic travel operations. *(Kuoni sets eyes on Indian travel cos to expand further, Snigdha Sengupta, ET, 14/12/01)*

Other Agencies

As per a new rule the travel agents' commission will be cut at source. They believe that this would seriously hamper their cash flow. Section 194 H of the Finance Bill, 2001, which is now awaiting the assent of the President, requires the deduction of tax at source at the rate of 10.2 %. This includes a surcharge of 2 per cent from all commission or brokerage paid or credited on or a June 1, 2001. Some of the airlines have requested the Billing and Settlement Plan's (BSP) India office (an IATA body which controls airline ticket stock and payments from agencies to airlines) to amend the software to include a new column for TDS on standard commission to he collected from agents and add TDS to net remittance of airline. *(Travel agents fret over TDS on commission, Nina Varghese, BL, 9/5/01)*

The non-core businesses of Balmer Lawrie & Co have been identified for strategic alliances, while the core businesses would be left untouched. Balmer Lawrie will be demerged from IBP & Co Ltd from December 27. While the core businesses account for 65 per cent of Balmer Lawrie's turnover, the non-core businesses account for the balance. The non-core businesses identified for strategic partnerships include tourism, speciality leather performance chemicals like synthetic tanning oils and finishing chemicals, container freight stations, tea blending and exports. *(Balmer Lawrie sees big gains from alliances, Santanu Sanyal, BL, 5/12/01)*

The RPG-controlled retail-agent Spencer & Company has decided to spin off its travel business into a subsidiary. The move is part of Spencer's plan to give more focus to the travel business and get into the leisure segment at a later date. *(Spencer to hive off travel business as separate arm, FE, 28/9/01)*

The newly incorporated Spencers Travel Services Ltd. until recently a division of Spencer and Co Ltd. has launched a number of new travel products to complement its core General Sales Agency business. The company was incorporated so that there could be more focus on the travel business. They would deal mainly with outbound tours. Their main target group would be the Indian traveller and would promote the Far East destinations. The added attraction for most Indian is duty-free shopping which they plan to cash in on. The company will take care of land arrangements, hotel accommodation and sightseeing, if required. *(Spencers Travel unveils outbound tours division, Nona Varghese, BL, 2/11/01)*

The Modi group-owned Modi Tour Services has acquired the US-based Uniglobe Group's master franchise rights to operate in India and Neighbouring Countries. The Tour Service intends to tap start-up travel businesses besides existing ones in an effort to expand its presence in the market place. The business model that the group is looking at will straddle hotels, airlines, car rentals and cruises. *(Modi Tour buys US co franchise rights, Ratna Bhusan & Ashwini Phadnis, BL, 29/10/01)*

General

German Travel and Tour Operators are up in arms against what they call the unfair, unjust and prohibitive entry fee for Foreign Tourists at Major Monuments in India. The fee for visits to many of India's top tourist attractions has risen so dramatically in the past few months that many German operators have been forced to drastically trim the itineraries of their tour packages or charge clients afresh for tickets they thought had already been booked. *(India gets too expensive for German tourists, Manik Mehta, ET, 9/5/01)*

Consolidation among travel intermediaries has resulted in some tour operators foregoing their margins to offer cost-effective packages. The economic slowdown worldwide has been a bonanza for the outbound Indian tourist resulting in lower tour packages as compared wit those offered last year and before.

Packages Offered

| Destination | Duration | 2001 | 1999 |
|---|---|---|---|
| Europe | 21 nights | 140000 | 170000 |
| USA | 16 nights | 180000 | 220000 |
| Far East | 10 nights | 40000 | 50000 |
| Australia | 16 nights | 105000 | 140000 |

*(Travel firms slash margins to up sales, FE, 1/8/01)*

Travel agencies in India and maybe in other parts too plan to scale down their growth projections for the coming fiscal as tour groups from the US and Europe have begun cancellations. Going by global trends, in India, the inbound leisure segment is expected to drop by 75 per cent and the inbound business travel by 45 per cent. In addition to this, major airlines have capped the agency commission, which would mean that the main income for most Indian travel agents would also be reduced. (Travel agencies in doldrums, Nina Varghese, BL, 2/10/01)

**C40 Labour in the Tourism industry**

A new report brought out by the International Labour Organisation (ILO) say that the Hotel, Catering and Tourism workers earn on average 20% less than employees in other sectors. Taken together the hotel, catering and tourist sectors produce three to four per cent of gross domestic product (GDP) in most countries. But most of the employees in these sectors are unskilled, working in part-time or low wage jobs. Up to half the workers in the industry are under 25 years old and up to 70% are women.

The study goes on to state that the worst form of child labour in tourism is seen in the sex trade. Though the problem remains widespread, the report points to the growing indignation of the international community at this exploitation and highlights the increasing participation of international employers and workers' organisations and the World Tourism Organisation in combating child prostitution in tourism.

Other labour problems affecting the hotel, catering and tourism industry are high staff turnover, irregular working hours, low levels of unionisation- less than 10 per cent — and intense pressure on the environment as to tourism reaches into far-flung destinations. *(Exploitation in tourism industry, BL, 4/4/01)*

## D - TOURISM PROMOTION AND TYPES OF TOURISM

**D00 Tourism volumes and patterns**

This year tour operators have upped the ante. Apart from special (read cheaper) package deals, they've widened the focus to Include special (read personalised) services — vegetarian fares for the Jain Community an early dinner' facility etc. Alongside these, a marketing blitzkrieg to promote Johnny-come-lately destinations (the Far East, the Middle East and South Africa) has been launched. Little wonder

that Indians emerge as the biggest ethnic group on holiday in Singapore. What these trends bare out are: One, that the higher-end Indian tourist is increasingly amenable to international travel and, two, marketing influences travel decisions. Both, valuable lessons for the domestic tourism sector. A small proportion, driven by a desire to explore foreign countries and cultures, are 'pulled' to holiday abroad. A large number, however, are 'pushed' because of lack of choices within India. Private players are to be encouraged to address both downstream (ticketing and travel arrangements) and upstream (accommodation, local travel, leisure and adventure sport options) functions in the tourism chain. Hand in hand goes a public sector focus on improved air, rail and road connectivity. *(Inaccessible charms, Stop pushing high-spending Indian tourist abroad, FE, 23/2/01)*

The Number of Indians travelling abroad is increasing hourly. And travel and tour companies are taking full advantage of the situation, offering all kinds of options and special features to the travellers so as to keep the numbers flowing. From cruises to land tours to the most exotic destinations, the entire world is on offer to the Indian traveller today and at affordable rates. Industry insiders say there has been a massive increase of nearly 300 per cent in the number of Indians taking to cruises in the last three years. And most of these travellers are first-time visitors of countries abroad.

According to the India Outbound Market Report of the Pacific Asia Travel Association (PATA), the key influences on travel demand have been changes in social attitude due to increase in accessibility to information, and reach of the Internet, television, and movies that are now being shot increasingly in exotic locales. The result has been a 61 per cent growth in travel between 1990-1999. *(Travel cos use lifestyle lures for Indian tourists, Neha Kohli, FE, 18/3/01)*

The ongoing slowdown in the IT sector is taking its toll on the business air travel segment. IT companies which contributed a whopping 30-35% share of the total business in air travel revenues of Rs 7000 cr. Since Feb-Mar 2001, business travel has declined by 30-40%. *(Business travel down 30% as IT firms sends fewer people abroad, Anubha Ghosh, FE, 8/7/01)*

Indian Tourist Arrivals into Malaysia have grown by 184% in 2000 over the previous year. Indians also stay there much longer when compared to tourists from other parts of the world. Around 1.32 lakh Indians visited the country. Nearly 50% of them went there for a vacation. *(Indian tourists inflows into Malaysia up 184%, FE, 17/08/01)*

The Terrorist Strikes in the US on Sept 11 and the consequent on-going retaliatory military action in Afghanistan has had an adverse impact on tourism the world over. India has been no exception and this is sharply reflected in the foreign tourist arrivals plummeting by nearly 29% in October this year. As a result, tourist arrivals during January-October 2001 stood at 20,22,605 have worked out to a negative growth of -2.2 % as compared to the same period in 2000. The resultant dents on foreign exchange earnings, however, till now has been minimal and mixed. Forex earnings in rupee -terms during the January-October 2001 period has totalled Rs 11,750.08 cr, an increase of 3.3% over the same period in the previous year. *(Tourist arrivals slump 29% in October, BL, 7/11/01)*

India's Tourism, like in the Rest of the World, is wobbling badly. However, unlike many other countries, India's effort to win back visitor confidence is minimal.

Carriers such as Air France and British Airways adopted a credo when they got the Concorde flying at a symbolic time as a gesture to reaffirm their commitment to business travellers to the US. Even as travel specialists introduce novel schemes — a hotel in Scotland actually offered free rooms to patrons as long as they bought breakfast (!), BAs 'Biggest Lowest Offer' tried for the first time in India, sold low cost tickets to agents in cash. The scheme, now withdrawn following complaints from other carriers, aimed at boosting sales and speeding up revenue flows.

Even as the tourism industry in India cries itself hoarse asking the government to reduce taxes that are further throttling business, the Singapore Tourism Board (STB) took the industry by surprise when it announced a US$7.1 million assistance package. The package encourages companies to continue developing new products and services by raising the level of support under the Tourism Development Assistance Scheme (TDAS) from 30 per cent to 50 per cent of qualifying costs.

Meanwhile, in Australia, New South Wales has launched a $7.647 million industry support programme, which includes a World Hot Spot Events initiative offering Sydney and the state as alternatives for International Conference Organisers switching events from unsafe locations.

The US Travel Industry Association has launched a $10 million campaign in major newspapers that hopes to inspire people to stick to their travel plans, calling travel on of the country's most basic freedoms. Industry leaders, including chief executives of hotels, resorts, tour operators, and cruise lines met to discuss measures to get people travelling again and to request about $5 billion in help for lost business. *(Innovation the key to get tourism on track, Neelam Mathews, ET, 1/12/01)*

In the wake of natural and economic disasters like the haze of 1997 (courtesy large-scale forest-fires in Indonesia), the financial meltdown of 1998 and the slump in the prices of primary commodities, Malaysia is now gearing itself up to boost foreign exchange reserves through tourism.

Since January 2000, Malaysia has been targeting the Indian market through its "Malaysia — truly Asia" campaign. Tourist arrivals from India almost trebled to touch 1,32,155 in calendar 2000 (from 45,323 in 1999) and are expected to cross the two-lakhs mark for 2001, an increase of 50% over the previous year. And the good news is that the average Indian tourist spends more on shopping than the average international one.

Simultaneously, transit travellers to Australia were allowed to spend two nights in Malaysia and this has been increased to five. Interest in Malaysia was further stimulated with the hosting of the Formula One Grand Prix car racing at Sepang, followed by the motorcycle Grand Prix in October

To publicise these events, a 30-member Malaysian delegation is on a road show to five centres in India Chennai, Hyderahad, Bangalore, Mumbai and Delhi. Apart from interacting with members of the tourism trade, a Malaysia fashion show is being organised at each of the five centres in the evening. *(Malaysia sees big spenders in India, ET, 1/12/01)*

**D01 Domestic Tourism**

International Travel House Ltd (ITH) plans to focus on the domestic leisure segment to beat the downturn in the tourism industry. They also plan to cash in on the number of ups and free individual travellers (FITs) on the Singapore and Bangkok segments. The company has developed tour packages for various Indian cities. This would include car and coach trips in and around and heritage centres. Another segment that it plans to explore is the MICE (meetings, incentives, conferences and exhibitions). *(Finding a way out, BL, 2/10/01)*

Views of the author on how domestic tourism is the key to boost tourism in the state:

Though there are no definite estimates of the impact of Sept 11th attacks on the country's inbound traffic, travel practitioners believe that the fall has been in the region of 25-30 per cent. The Indian tourism industry would have coped with the situation much better had the country's domestic tourism been fully developed. There exists a fairly large domestic tourist movement in India but it is moving on its own, without Government support. Moreover, what exists is in gross disproportion to the vast potential India has. Globally, large countries such as the US, China and Australia have developed a robust inbound tourism industry only because of a strong domestic tourism base.

Even though India's Domestic Tourism is still in its nascent stage of development, the multiplier benefits already accruing to the country's economy present a strong case for all possible government and private sector support.

Consider the following:

- PKF Consultants, New Delhi have estimated, on the basis of data compiled by the National Sample Survey Organisation (NSSO), India's domestic tourist movement at 320 million annually as compared to 2.64 million overseas tourist arrivals into India.
- More pertinently, the receipts from domestic tourism are 3.65 times more as compared to the receipts from international tourism: Rs 912 billion (derived from WTTC Tourism Satellite Accounting System by PKF Consultants), and Rs. 250 billion (WTTC figures) respectively.
- Domestic tourism fuels rural demand which in turn could boost the overall economic development and help the country achieve the dream growth of 85 per cent of GDP.
- The World Tourism Organisation (WTO) and some other such bodies have recognised travel and tourism as one of the prime movers of poverty alleviation, especially in the Least Developed Countries (LDCs).
- Worldwide, the Tourism Industry creates one in 10 jobs. According to a WTTC study, the Travel and Tourism economy in India employed 17.7 million people in the year 2000, which is 5.6 per cent of the country's total employment for that year. If by the year 2010 Indian travel and tourism were to generate the same level of employment as the world average, then a further 25 million jobs would be created in India over the next decade through the Travel and Tourism Industry.
- The development of domestic tourism could reduce the number of Indians travelling overseas (the government figures show that about 4 million Indians travel abroad annually, and are counted among high spenders) and thereby the flight of foreign exchange.
- It could level the troughs created by a seasonal international tourist arrival pattern: the traditional tourist season in India is September to March. The

summer and monsoon months could be used to woo a greater number of domestic travellers.

- A healthy domestic tourism base could cushion the negative impact of global recession cycles and world crisis. For example the shutting down of entire hotel floors or retrenchment directly resulting from a slowdown in the global tourist flows could be prevented.
- Greater domestic tourist movement would increase cultural bonds, foster mutual understanding and promote national unity.
- It could give a kick-start to Heritage Preservation.
- The infrastructure developed for domestic tourists would, in any case, benefit international arrivals as well.
- The packages and infrastructure developed for domestic tourists would be appealing for the NRI in search of his roots as well as those looking for leisure options.

It will lessen chances of traditional Indian culture getting eroded through western tourist invasions. *(It's time we gave a leg up to domestic tourism, Madhu Suri, ET, 29/12/01)*

**D10 Tourism Promotion**

India's Myriad Tourist Attractions have induced a fairly large number of Arab Nationals to visit the country over the past few years, with official figures estimating a 11% growth in arrivals of Arab tourists in 2000 over the previous year. Another advantage with Gulf tourists is that they mainly travel between May and September, which is normally off-season in India. The most popular destinations for Gulf nationals are Mumbai, Mahabaleshwar, Goa, Chennai, Pondicherry, Bangalore and the hill stations, Kerala, Rajasthan, Lucknow and Hyderabad. Certain recommendations have been presented to the high-level committee on Indian Diaspora, which visited the UAE recently. They include issuance of visa on arrival, temporary landing permits for tourists, improvement of facilities at Indian airports, introduction of a Dubai airport-type Marhaba (welcome) service at Mumbai and quick clearance for visitors, more apartment-type accommodation, Arabic cuisine, Arabic language guides at tourist spots and shopping areas, amusement parks for children and construction of more shopping malls of International Standards. An Arab Language Web site was being planned and efforts were on to boost India's potential as a Conference Venue and for Health Tourism. GOIRTO plans to participate in several fairs in the region in the coming months, including the major Arabian Travel Market in Dubai. *(Bid to promote tourist traffic from Gulf nations, Vimala Vasan, BL, 3/2/01)*

India seemed to have made a big impact at the Arabian Travel Market for which they had planned. Apart from Goa and Kerala that had a presence at the fair, leading tour operators from India and others connected with the travel trade were part of the Government of India Regional Tourism Office (GOIRTO) participation in the Dubai fair. In all about 25 Indian companies too part in the show, held 'between' May 1-4, that attracted 800 companies from 55 countries. *(Indian tourism makes a mark in Dubai fair, Mridula Krishna, ET, 6/5/01)*

Union Tourism Minister announced that his Ministry would change its Promotion Activities from paper-based to **e-based** and **initiate information technology** initiatives **like websites, touch screen kiosks** and **CD-ROMs.** The CD-ROM would enable tourists to have a closer glimpse on the world heritage centre. The department would come out with virtual reality recreation facilities at Major Heritage Centres. Similar CDs were being brought out on Konark, Taj Mahal, Khajuraho and 600 other Tourist Destinations of the Country and Adventure and

Wildlife. *(Tourism ministry will focus on e-based promotion: Minister, CD-Rom on Hampi launched, DH, 11/3/01)*

Indians seem to be arriving on the World Tourist Map. A clear pointer is the fact that several countries tourism boards have opened offices in India to exploit the huge surge of the outbound tourist traffic. Sri Lanka is the latest to join the bandwagon. Australia, Austria, Britain, Mauritius, Thailand and Switzerland are the other members of the growing club. The India offices' activities include public relations, marketing, thematic and brand-building advertising, and dissemination of destination information, briefing sessions for travel agents, presentations and travel trade workshops, tactical initiatives, and trade liaison to increase awareness among the travel trade and the end-user. *(Fishing for the Indian tourist, More and more countries are opening their tourism offices in India to claim a share of the outbound traffic, FE, 18/3/01)*

FICCI organised a conference 'Look South' at Kochi between the 3-4th of April 2001 to promote tourism in Southern India. The Main Objectives of the Conference were to market South India as a destination of new millennium, strengthen existing synergies, providing international tourism linkages, addressing policy impediments and creating enhanced Tourism Consciousness. The participant profile ranged from foreign and Indian Tour Operators and travel agents, Central Ministry of Tourism and Civil Aviation, Foreign missions in India, Airlines- Domestic and Foreign and Major Hotel Chains *(TH, 3/4/01)*

The Meeting stressed the need for joint promotion of various destinations in the South for Promoting Tourism. Realising the economic potential of tourism, FICCI agreed to act as a link between tourism-related industries, government and international agencies thereby facilitating international networks in the region and monitoring and assisting the Union and State Government in designing tourism-friendly policies *(BL, 5/4/01)*. Some key recommendations that came out were the creation of 'Look South Forum' under the aegis of FICCI, a progressive taxation policy and taking up the issue of improving air connectivity of Southern States with the Centre. 'Look South Forum' will be organised by FICCI between the tourism and finance secretaries of all the states of South. The second meeting will be held in Hyderabad in Jan 2002 *(BL, 5/4/01)*.

They also voiced there concerns about South's predominant image as a 'temple' destination, despite the variety on offer, lack of direct flight connections for International Travellers, limited connectivity within states, lack of uniform taxation structure across the Southern States, and Infrastructure limitations, Maintenance of Destinations. *(Tourism industry looks to South India for future, Chandrika Mago, TOI, M, 3/4/01)*

In an effort to Promote India as an International Tourist Destination and also highlight the investment opportunities which exist in the tourism sector, the Confederation of Indian Industry (CII) held its second three-day 'India: Tourism and Heritage' conference. The event was conceptualised to create awareness among domestic decision-makers, market players and domestic tourists, and also to draw the attention of international entrepreneurs to the vast untapped tourism potential waiting to be harnessed.

Realising that tourists prefer multi-destination holidays, CII has tied up with Uttaranchal as partner-State and is also scouting for a partner-country. CII official mentioned that the joining of hands with Uttaranchal seemed to be a natural

choice given the fact that the newly-created State had already launched its tourism policy and plans to take up an aggressive position in marketing itself as a tourism destination. *(Tourism summit to explore options, Ashwini Phadnis, BL, 2/5/01)*

CII has roped in Kapil Development to promote the tourism industry, which he has accepted. CII is also organising its Second International Conference 'Tourism and Heritage: Challenge 21', jointly with the ministries and external affairs and government of Uttaranchal in Delhi from 18-20 October. The three-day event will have plenary session on 'Business in Tourism'. Talks are organised on 'Tourism: The Hidden Potential In Youth And Women', 'The Creative Face Of Tourism', 'Insights From Outside' And 'Heritage In The Information Age'. *(CII ropes in Kapil development to promote tourism industry, FE, 18/8/01)*

Dr. S. Dabringer, Austrian Trade Commissioner said that India could learn a lot from his country about the promotion of tourism, which is a major earner of foreign exchange. Tourism accounted for 60 per cent of Austria's GNP. Like India, Austria promoted the public sector in the beginning, but most of them have been privatised now, thanks to Globalisation that was ushered in long ago. Since most of the industries were Multinationals. *(India can learn about tourism from Austria, TH, 9/10/01)*

Tourists could be looking at Asia and South East Asia including India with increased interest in the coming months because of reports of racial profiling in Western countries in the aftermath of the US attacks. Moves are therefore under way to project India's brand image as a safe and affordable destination offering a plethora of Tourist Attractions. GOIRTO organised a series of educational tours for travel agents in co-ordination with regional and Indian carriers to enable them to obtain first hand knowledge of the 'business as usual' situation in India and its tourist spots. GOIRTO also participated in the Muscat International Fair in early October, while a promotional visit to Riyadh was also made in early November, with GOIRTO keen on focussing on the large Saudi Arabian market. Currently, the UAE is the main market in the region, followed by Oman, Bahrain and Kuwait. Awareness campaigns have also been held in other regional countries like Jordan. There has been a rising trend in tourist rivals from the GCC and Asia since 1998. The West Asian region showed a growth of 11.9 per cent for the January-March period this year. *(India wooing tourists from Gulf region, Vimala Vasan, BL, 14/11/01)*

The Ministry of Tourism and Culture has announced that the National Tourism Awards would be given to various categories of the Tourism Industry. They are: Travel Agents and Tour, Tourist Transport Operators, Classified Hotels, Heritage Hotel, Excellence in Writing/Publication, Excellence in Essay Writing (General Tourism and National Heritage and Culture), Tourism film/audio visual presentation, Best tourism performing state with a separate award for the North Eastern Region, Best maintained tourism-friendly monument, Best maintained tourism-friendly National Park/Wild Life Sanctuary, Eco-friendly tourism project/ organisation, Most Innovative and Unique Tourism Project, Best Tourism Educational Institution and Most Innovative Use of Information Technology/Best Tourism Website/ Portal. *(TOI, M, 22/11/01)*

As a sequel to its 'Look South', an International Tourism Conference and Exhibition on South India in April this year, the Federation of Indian Chambers of Commerce & Industry (FICCI) is all set to organise the second such conference and exhibition on February 3-6, 2002 at Hyderabad.

The earlier Conference had concluded with a realisation that the need of the hour is to have a private-public partnership to aggressively market South India as a seamless tourism destination.

Further, at the behest of some of the Southern States such as Andhra Pradesh and Karnataka the thrust of the conference will also be on Rural Tourism.

Moreover, this time the Planning Commission and Finance Ministry are also being requested to participate in the conference.

Apart from the Governments of Andhra Pradesh, Karnataka, Kerala, Pondicherry, Tamil Nadu and Andaman & Nicobar Islands, which participated last time, Goa and Lakshwadeep have also shown special interest this time. *(AP to host global tourism meet, Richa Mishra, BL, 10/12/01)*

The South India infrastructure master plan envisaged to emerge from the meeting of Tourism Ministers of all South Indian States would enjoy inputs from Tourism Experiences of Sri Lanka, Maldives and Mauritius. The Tourism Ministers of India's Neighbours in the South will be special invitees in the two-day conference in Kovalam from January 2. Along with the representatives of these governments, tourism ministers of Andhra Pradesh, Tamil Nadu, Karnataka, Pondicherry and Kerala will consider how best these common interests could be utilised in aviation, hotel and tour operator tie ups and investment in basic amenities.

SAARC travel circuit and joint travel circuit in South India will top the agenda of the January's conference. The meeting will also discuss Inter-State Transport and Taxation, South Indian Rail Circuits, Inter-State Border Roads, Joint Product Development, Joint Human Resource Development Programme, Joint Promotion and Marketing and Joint Cruise Circuits. Apart from the Ministers, Policy-Makers like Director General, Secretary and Other Senior Officials in the Union Ministry of Tourism and Representatives of Travel and Tourism Trade in South India will also participate in the conference. *(Lanka, Maldives, Mauritius to join tourism ministers' meet, FE, 28/12/01)*

**D11 Festivals – India**

Mumbai's first shopping festival, patterned on the lines of the one in Dubai, is being postponed by six months, as authorities here fear a poor response during summer. The trading community in the city fears that the festival alone would not serve as an attraction since the Mumbai event was not envisaged as a duty-free affair like the Dubai festival. But the State Government is hoping that sale of handicrafts and ethnic items would prove to be a big draw for foreign tourists. The State Government had already begun the process of enlisting shops and boutiques in preparation for the 'Great Mumbai Bazaar 2001'. Under a plan drawn up hastily by the Maharashtra Tourism Development Corporation, several important areas of Mumbai like Opera House, Linking Road and Fashion Street will be promoted as important shopping destinations for visitors from India and abroad. *(Maharashtra develops cold feet over shopping fest, Shiv Kumar, ET, 13/4/01)*

The WB Government is planning to cash in on the State's biggest socio-religious event by turning the Durga Puja into a Tourist Attraction. The Government would confine its programme to improve tourist traffic to infrastructure development, publicity, and dissemination of information and co-ordination of sectoral activities to create conditions conducive to private sector investment in Tourism. The product would be launched in a small way mainly to test the market, from this year on. *(Durga Ma to drive tourist traffic, BL, 7/8/01)*

The UP Tourism Department plans to organise a Yoga Mahotsav from 15th – 21st at Mathura-Lucknow and from 22nd-28th Fen 2002 at Allahabad-Varanasi-Sonebhadra. *(TOI, B, 30/10/01)*

Display Vans, Product Inflatable, Video Walls, Rural Theatres, *Kisan Sabhas*, and Magic shows. If it was the Maha Kumbh earlier this year, this time round it's the Pushkar cattle fair, an annual event held in November, in the town of Ajmer in Rajasthan. In the recent years some big names have been seen at this event. The Corporate of India perceives it as an opportunity to promote their market base in rural India. They believe that the rural market is probably the best trading ground for domestic and multinational brands in categories such as soft drinks, ice cream, shampoo and fairness cream, scooters, fans, wristwatches and mosquito repellents. Apart from spot sales, corporates also look at ensuring brand recall for at least six months after the event. *(FMCG, consumer electronics cos queue up for Pushkar fair, HLL, Pepsi, Parle, Electrolux, M&M to take part, Ratna Bhusan, BL, 6/11/01)*

Assam will organise a series of tourism festivals beginning with the three-day Brahmaputra Beach Festival from January 13. *(Tourism festival, TOI, B, 20/12/01)*

A 16-day 'Island Tourism Festival' will start in Andaman and Nicobar Islands from 23rd December 2001. A variety of cultural programmes depicting the rich heritage and tradition of the country and the Islands would be presented. *(Andaman gearing up for tourism festival, BL, 22/12/01)*

The Dubai Shopping Festival (DSF), which had positioned itself for the current year on the theme 'One world, One Family, One Festival' puts the Indian Visitors at 45 per cent of the total. India continues to be perhaps the biggest single market for the combination of budget priced authentic products, quality gold ornaments, entertainment and live events. This year, the DSP has tied up with the credit card major Visa and Emirates Airlines to offer entry visas to Indian travellers who can use the card to book and pay for tickets. Preparing for the massive influx of tourists, Dubai has built up capacity of 36,000 rooms and an airport that is equipped to handle 22 million passengers annually. The airport has drawn up an expansion plan in the second phase that can handle an additional 20 million passengers. *(Dubai shopping festival — an entertainment of sorts, G. Ananthakrishnan, TH, 19/2/01)*

## Typology of Tourism

### D20a Adventure Tourism

Russia sent its first Commercial Cosmonaut to the International Space despite opposition from American Space Officials. The U.S. businessman, Mr. Dennis Tito, was given a final approval by Russian Government Commission to join the Russian crew on a 10-day flight to the ISS on April 28. Mr. Tito, who paid $20 millions for the flight, needed to undergo a eight-month-long training at the Gagarin Cosmonauts Training Centre near Moscow. The U.S. space agency NASA has strongly objected to Mr. Tito's flight, claiming that he was not ready for work according to the rigorous ISS schedule, and could be a hindrance aboard the station. NASA called for postponing his flight till October, but the Russians refused, saying this would violate their contract with Mr. Tito. *(Russia defies U.S. on space tourist, Vladimir Radyuhin, TH, 12/4/01)*

Looking at immense possibility of carrying Tourist to Space, Russia has now found way to take more paying tourists to space. Under a new plan, Russian spacecraft

carrying tourists will not dock with the ISS but will just orbit the Earth for the duration of the flight.

Russian aerospace agency, Rosaviakosmos hopes paying trips to the ISS would resume after the Russian and American space agencies had worked out a set of rules for tourist missions to avoid the repetition of frictions over Mr. Tito's trip. *(Russia plans more space tourist trips, Vladimir Radyuhin, TH, 28/5/01)*

MirCorp, a Netherlands-based company announced its plan to launch the world's first private space station for tourists. The new station, Mini Station 1, will cost about $100-mn and is expected to enter the orbit by 2004. *(Space station for tourists, BL, 6/9/01)*

Russia will send a second space tourist to the International Space Station (ISS) next year notwithstanding objections from the American partners in the project. Mr. Mark Shuttleworth, a South African businessman, is prepared to pay about $ 20 million for a 10—day space flight scheduled for next April. *(Second space tourist for ISS, Vladimir Radyuhin, TH, 10/12/01)*

**D20b Recreation and Theme Parks**

The Amusement Parks Industry, which is yet to enter the take-off stage, looks set for Healthy Growth. With an Investment of around Rs 1,000-cr. already having been made in the industry over the last decade and a half, the Indian Association of Amusement Parks and Industries (IMPI) expects fresh investments to cross Rs. 2,000-cr over the next three years. As yet there are no indications of foreign players entering this industry. At best, foreign participation has been restricted to supply of equipment — Sanderson of Australia, one of the larger equipment suppliers — is planning to establish a base in India and Haas of Germany is also likely to enter into alliances. As far as revenues are concerned, the industry is characterised by long gestation periods. The lament of the industry is the total lack of government support. The high taxes associated with the property and after development, the entertainment tax, which varies from 0-65 percent, dampen the promotion of the industry. *(Amusement parks cry for help, Ramnath Subbu, TH, 8/1/01)*

**D20d Heritage Tourism**

The Archaeological Survey of India has decided to make about 34 national monuments - including the Taj Mahal and Khajuraho temples accessible to the disabled. Ramps would be constructed at all 34 world heritage monuments in the country. In the first phase, 14 monuments would be covered and the rest would be included in subsequent phases. The ASI had set up ramps at the Red Fort, Qutub Minar, Humayaun's Tomb and Jantar Mantar, all of which had been included in the itinerary of Prof Hawking, following a clamour by disability activists and the media. When the ASI tried to remove them after the completion of Hawking's visit, the Delhi High Court stayed the move. *(Maneka asks for barrier-free cities, trains ASI announces ramps at 34 monuments including Taj to make them accessible to disabled, Sreelatha Menon, is, 12/2/01)*

The Indian Oil Foundation (IOF), Ministry of Culture and the Archaeological Survey of India (ASI) jointly set-up the National Culture Fund (NCF) to adopt monuments that are part of the World Heritage list. At each of these sites integrated planning and development would be initiated 'to create a world class Indian Oil Foundation experience.' Eventually IOF intends to adopt one Heritage Site in each and every state and Union Territory. The Indian Oil Foundation and the Archaeological Survey of India signed a memorandum of understanding (MoU)

to this effect last week for adoption of Five Heritage Sites. In the first phase five heritage sites have been taken up -Qutub Minar in Delhi, Konark sun temple in Orissa, Kanheri caves off Mumbai, Khajuraho in Madhya Pradesh and Hampi in Karnataka. The archaeological component of the integrated planning and development i.e. conservation and preservation, will be carried out by the ASI with funds provided by the IOF, channelled through the NCF. Indian Oil has pledged the corpus of Rs 25-cr. and a continuing annual contribution of Rs 10-cr. to the NCF. The facilities planned include museums, exhibition bazaars, dioramas, and walkthroughs, inside the monument area, colour coded pathways, photo-vantage positions, visitor friendly signage and in specific cases night viewing facilities. Immediately outside, other conveniences like cafeterias, refreshment centres, communication and banking facilities; souvenir shops etc will attempt to heighten visitor comfort and delight.

To bring authenticity to the projects, the National Institute of Design (NID) has been engaged to develop the Qutub complex and the Tata Consultancy Services (TCS). Similar conceptual studies are underway for other prioritised sites are underway. To support this cause, Larsen & Toubro Ltd has volunteered to execute the works (non-archaeological component) at the project sites at no profit basis. M/S Koura & Co. a legal consultancy firm is providing the legal services to IOF free of cost and the auditor's firm M/S Dinesh Goyal Associates is also offering its services free. *(Advantage Visitors, E Jayshree Kurup, ET, 1/4/01)*

ASI has roped in the IITs into the Heritage Conservation Movement. It has requested all the IITs in the country to conduct a scientific study of certain sensitive monuments, with special emphasis on those located in quake-prone districts, and suggest how the ASI can protect them from such Natural Calamities. According to ASI Director-General Komal Anand, the response of the IITs to their request has been very encouraging. The nitty-gritties of the project are still being worked on. *(IITs roped in for conservation of heritage, TOI, M, 15/5/01)*

UNESCO is studying the prospect of declaring Fatehpur Sikri, an important tourist destination because of its monuments of the Moghul period, a world heritage site. In recognition of the cultural importance of the recent excavation at Fatehpur Sikri, UNESCO has invited the Archaeological Survey of India (ASI) to present its details at a special international meet to be held in Paris. *(World heritage status for Fatehpur Sikri in offing, Naresh Behari Mathur, TOI, M, 13/6/01)*

Following on the same lines as the centre the Uttar Pradesh Minister, Mr Bajnath Singh, has called on the Private Sector to Invest and Conserve Heritage Sites in the State. The Government has identified 18 such Heritage Sites, which could be developed into heritage sites/resorts, as there would be ample scope for trade, commerce and business in the tourism sector. The State in a planned manner is trying to bring build make to ensure the private sector that they can invest confidently here. The Government is striving hard to build required basic infrastructure such as roads, power, drinking water, and other facilities necessary for a vibrant and ecofriendly Tourism Industry. The Chief Minister said that 'top priority' was being accorded to the development of the Bundelkhand, the Buddhist and Braj circuits. *(UP seeks pvt funds to upgrade heritage sites, BL, 23/6/01)*

The Government's decision to hand over the maintenance of Taj Mahal to a private party and a similar proposal with regards to Red Fort has been challenged in the Delhi HC on the grounds that the private agencies would exploit the monuments more for commercial purposes than up keeping them as per the rules and

guidelines. The petition has been filed by the United Communist Party of India (UCPI) *(Private party maintenance of Taj challenged, TH, 2/7/01)*

The Delhi High Court declined to intervene in the issue of the Centre signing the MoU with the Tata group for the maintenance of the Taj Mahal, saying that the company would not be getting any monetary benefits from the collection of visitors' tickets. *(HC declines to interfere in Taj Mahal issue, BL, 10/7/01)*

The UP Government has decided to consult experts on the environment from various parts of the country on how to protect the Taj Mahal from environmental degradation. The government is worried because of the huge tracts of land along the Yamuna river that are owned by private parties. Initially these plots were given to farmers- but over a period of time the ownership now lies with builders who wish to construct high-rise buildings. *(UP anxious to prevent high- rises behind Taj, TOI. M, 4/8/01)*

UNESCO is assisting a project called 'Preservation of Parsi-Zoroastrian Heritage', which will be launched soon. The project is aimed at spurring interest in and documenting the heritage sites and religious practices, the art and craft, the cuisine and medical practice of these Indians of Iranian origins. *(UNESCO project to preserve Parsi heritage, Ratnottama Sengupta, TOI, M, 14/8/01)*

A 4-Cr Comprehensive Plan has been proposed to give Rajghat a face-lift. The development would include colourful water fountains, expansive landscaping and a jogging track. With over 20000 tourists visiting the mausoleum everyday, the plan also proposes to set up cafeterias and toilets in the adjacent land while shifting the parking space. *(Rs 4-cr facelift for Rajghat proposed, Ajit Sahi, ET, 10/9/01)*

Continuing its efforts to save the historic Taj Mahal at Agra, the SC has asked the Central Pollution Control Board's monitoring committee to verify whether 60 brick kilns within the 20-kms of the Taj Trapezium has actually been closed. *(SC asks CPCB to verify UP claims on 'save Taj' measures, DH, 31/10/01)*

Bodhgaya, which was nominated by the Indian Government earlier this year for a place on the World Heritage List, has not been able to acquire the cachet. UNESCO's World Heritage Committee did not ratify India's proposal on the ground that a Proper Management Plan did not accompany it. However, the Committee did clarify that it was not rejecting the proposal, only "deferring" it. This could mean that India could redraft the proposal and re-apply for this status next year. UNESCO's new rules allow for only one nomination per country per year. The last cultural sites to be listed were Humayaun's tomb and the Qutub Minar complex in 1993. Since then only one Indian site has made it to the list — the Himalayan Railway in Darjeeling. That has brought India's tally to 22 World Heritage Sites. Apart from Bodhgaya, the heritage sites rejected by the world heritage committee in recent times are Sarnath, Sikandra, Dholavira and Bhimbhetka (civilisation sites). These were turned down because the nominations were not properly drafted. *(Bodhgaya misses a spot on the world heritage list, Gunvanthi Balaram, TOI. M, 9/11/01)*

A People's Initiative started by the Jaipur chapter of INTACH to improve the city by rebuilding its Heritage in the context of Tourism, Commerce and Global Perspective. The aim is to make Jaipur a World Heritage City. The State Government would be spending Rs 500 cr for infrastructure development in the Pink City. Out of this Rs 50 Cr would be spent on restoration of the heritage. The Government as the Heritage Consultant has retained INTACH. Conservation of Water, Craft Sills,

Natural Environment, Culture and Tradition would be on the agenda for Conservation Strategy. *(Initiative to list Jaipur as World Heritage City, Prakash Bhandari, TOI, M, 14/12/01)*

**D20e Pilgrimage Tourism**

The entire database on Haj pilgrims from India is to be placed on Internet this year in order to overcome some of the difficulties that have been encountered in the past. Among other measures the Consulate General has given special focus to the proper functioning of air charter operations for pilgrims the first batch of whom will reach Jeddah from Kochi. A total of 1,20,000 Indians are expected to perform Haj this year of which approximately 72,000 will have the services of the Central Haj Committee and 40,000 through private tour operators. *(Haj Pilgrimage / Data On The Net, Authorities Upgrade Facilities, Kesava Menon, TH, 25/1/01)*

Kumbh mela 2001 — the largest Congregation in the World — where 10 Million Devotees took a holy dip in the rivers Ganga, Yamuna and at the Sangam, turned out to be one of the most successful events organised by the government. The Kumbh Mela town-ship itself was divided into 31 administrative and planning sectors, to facilitate speedy action and for the provision of various services. Each sector was provided with all the basic civic amenities like — drinking water, health, sanitation, roads, electricity, housing and shops along with a police fire station and a sector magistrate. *(Mahakumbh: a maha success, Trapti Agrawal, TOI, M, 23/2/01)*

Thomas Cook has decided to focus on rail-based pilgrim travel as a major segment for growth and will soon be offering a number of packages in a tie-up with Indian Railways. Pilgrim travel is the largest travel segment in the country with more than 100 million Indians embarking on pilgrimages annually. This concept will be based on similar-lines as the pilgrim trains in Europe, which ply between destinations like Bavaria in Germany and Lourdes in France with a doctor and a priest accompanying the pilgrims. *(Thomas on the pilgrim trail, TOI, M, 15/5/01)*

The J&K Government is all set to introduce changes in the Amaranth pilgrimage format. A new counter for registration will be opened at Katra. One of the major changes is with regard to the application form, which will be printed, in important newspapers. *(J&K Govt to modify format for pilgrims, Nishit Dholabhai, IE, 30/7/01)*

A Parliamentary Committee has recommended setting up of a Central Fund Deposit Scheme to enable the poor to undertake the Haj pilgrimage. The committee also suggested that pilgrimage should be operators through private parties. *(Panel recommends scheme for poor Haj pilgrims, DH, 27/8/01)*

The Orissa Department of Tourism put forth a proposal to construct a watchtower outside the precincts of the Jagannath Temple here to enable non-Hindus to have a glimpse of the 13th-century edifice but the move has been strongly opposed by the 'sevayats' citing security reasons. *(Puri officials oppose move to build watchtowers, TOI, M, 5/9/01)*

The Central Haj Committee has computerised its functioning with all information regarding the annual Haj pilgrimage available on its website www.hajcommittee.com for the Haj pilgrimage of 2002. This will enable a Haj pilgrim to know well in advance about the flight schedule, accommodation at Mecca and other details related to Haj for which pilgrims had to go seek information from different sources. *(Website on Haj facilities set up for pilgrims, TOI, M, 19/10/01)*

**D20f Health Tourism**

The Wellness Boom in the US and Europe seems to have suddenly discovered the 5000-year old Indian science for a long and healthy life- Ayurveda- that is still widely practised in India and Sri Lanka. A boom in Ayurveda Health Tourism has developed in Germany over the past few years. Two-week courses at Health Spas or Healing Centres are on offer for prices of between 6,000 and 8,000 marks ($2,700 and $3,600). Far cheaper and very popular on the other hand are trips to India and Sri Lanka in combination with a beach holiday or cultural sightseeing tours. A number of Hotels now offer Ayurveda programmes. This has also lead to several travel agencies offer such tours from Europe. *(Ayurveda is how a tourist attraction, Norbert Schnorbach, TOI, B, 25/5/01)*

The Kempinski Group Of Hotels has reached an understanding with a Kerala-based ayurvedic company to introduce ayurvedic centres in all their hotels worldwide. Kempinski Group of Hotels and Resorts disclosed that the partner that the group has selected is the Softouch Ayurvedic Centre, which operates the ayurvedic centres in Ashok Beach resort, Kovalam and Le Meredian, Kochi. Softouch will run the ayurvedic treatment centres in the 40 Kempinski Group hotels located across the world. *(Ayurveda to go places with Kempinski, ET, 8/7/01)*

India's Health Ministry is pursuing an ambitious proposal to popularise herbs by constructing herbal parks at famous Heritage centres. The Ministry of Health, Tourism and the ASI would be involved in the project. *(Herbal tourism: A novel to market herbs, heritage, FE, 4/8/01)*

Come February, 2002 and the first **'ayurvedic village'** in the Country will be set up on 120 acres of land in Gurgaon near Delhi. The Rs 150-Cr Project will enable people to access ayurvedic treatment from experts. An ayurvedic physician will not only diagnose diseases, but also consult an astrologer to study the possible effects of planets before prescribing treatment.

**The ayurvedic village will house 64 cottages, and a Sanskrit degree college. There will an ayurvedic spa, a nature cure centre, a yoga centre, a health centre, herbal gardens and ponds, too.** *(A natural prescription to revive ayurveda, Ashok B Sharma, FE, 29/12/01)*

**D20g Rural Tourism**

FICCI in association with the Udaipur Chambers of Commerce and Industry is organising an International Conference and Exhibition on Rural Tourism in India on Sept 8-9 in Udaipur. The Conference aims at involving Panchayati Raj institutions in the Development of Tourism and Promoting Rural Tourism as an avenue to achieve income, employment and economic stability. *(FICCI to host conference on rural tourism, BL, 11/7/01, D20g)*

FICCI in collaboration with the Union Ministries of Tourism & Culture, Rural Development and Other Nodal Agencies has planned a 10-year project to market and develop the concept of Rural Tourism. A. F. Ferguson for FICCI conducted the study for the project. The survey estimates that every one million additional visitors to the country could translate into Rs 4300-cr of revenue for the industry. Besides, every one million of additional investment into the tourism sector has the potential to generate 47.5 jobs. And every direct job leads to the creation of another 11 indirect jobs. **The components identified in the study that could be part of rural tourism include: heritage tourism, farm tourism, pilgrim tourism, adventure tourism and nature tourism.** *(Let's go rural, Preeti Mehra, BL, 24/9/01)*

**D20h Golf Tourism**

Palmyra Springs Golf and Country Spa, a part of Madras Country Spa Ltd, plans to develop a 10-hole golf course on the outskirts of Chennai. The golf course will be attached to a spa, guest rooms, cottages, indoor and outdoor recreation covering around 50 acres *(Golf course to spring up near Chennai, Nina Varghese, BL, 24/1/01)*

Currently there are less than 100 golf courses in India with most of them controlled by defence services. Realising the need to have a public golf course of international standards for its citizens and tourists to Belgaum and its neighbouring places, the Belgaum Golf Association (BGA) has taken up the construction of an 18-hole golf course in an area of about 170 acres at Desur, near Belgaum. The land is owned by KSTDC, which has leased it out to the BGA on a long-term basis. The new golf course will have a club house with modern facilities, restaurant, swimming pool, guest rooms, cottages, health clubs, tennis, badminton, squash courts, billiards and pool tables, driving range, golfing academy, etc. The course has been estimated at a cost of Rs 5-cr. *(Now golf lovers have a new destination: Belgaum, Naushad Bijapur, IE, 5/11/01)*

**D20i Eco-tourism/ Wildlife Tourism**

For 19 years, the Nanda Devi sanctuary has remained out of bounds. The Ministry of Environment and Forests (MoEF) recently has decided to open the sanctuary: it plans to allow scientific expeditions on a case-to-case basis. Trekkers and mountain enthusiasts, however, will still be kept out.

With this decision, the MoEF has rejected a report by an eight-member expedition, which surveyed the sanctuary in May this year, and which suggested that it could be selectively opened to trekkers and mountaineers.

The Sanctuary is located in the Chamoli district in Uttranchal, has been declared a World Heritage Site.

Up to the early eighties, nearly 7,000 expeditions traversed the Sanctuary. But the wear and tear began to tell on its fragile eco-system, and the Government barred visitors to the Sanctuary in 1982. *(Scientists may get toehold in Nanda Devi, Sonu Jain, IE, 25/10/01)*

**D20j Cultural Tourism**

A three-day seminar on 'Strategic partnership between Indian National Trust for Art and Cultural Heritage (Intach) will be held in Kochi from 19th July 2001. The Seminar would examine the various facets of a model framework for strategic partnership between the State Government and Intach. The proposal will then be circulated to all State Governments. *(Meet on heritage conservation, BL, 18/7/01)*

**D40 Tourism and Media**

Datum Technologies Ltd. is to develop an ERP package for the travel industry. The travel portal —- indiatravelhouse.com —- has been divided into different parts like temples, historical places, forest, sanctuary, gardens, lake and beaches. It also provides information on hotels, climate, travel, accommodation, festivals and currency conversion among others *(Datum develops ERP for travel industry, N Anand, IE 31/01/01)*

HARK (Handy Audio Reach Kit), a New Electronic Guidance System (EGS) system has been installed at the Red Fort's 'Naubat Khana', Diwan-i-Aam', 'Hyatt-Baksh Garden', Shah Burj, Hammam, Diwan-i-Khas, Rang Mahal, Khas Mahal and

Mumtaz Mahal. The system is based on advanced technology and provides automated bi-lingual description of various parts of the monument on headphone as the person goes near it. The EGS is proposed to be introduced in a phased manner at different monuments in the country. The next two monuments in the national capital to have the facility will be Qutub Minar and Humayaun's tomb. *(Red Fort visit made more memorable with EGS, ET, 21/5/01)*

Domestic travel solution provider Bird Group plans to launch a travel portal "www.erahi.com" at a time when most of the travel portals are on the verge of closure. Bird group also owns 49 per cent equity stake in Amadeus India, its joint venture (JV) with Lufthansa Airline's parent company German Travel Services (GTS). *(New travel portal from Bird group, Rajeev Jayaswal, FE, 16/6/01)*

The Major Chunk of Travel Business is Corporate Travel, but unlike in the West, Indian Corporate are yet to take to web-based bookings. A number of people who plan to take up leisure travel have got onto the net to check-out information, connections, destinations, fares, etc. but the number of bookings is still extremely low. The main reason put forth is that most big agencies have implants in their main office. *(Corporate travel not net-savvy yet, Nina Varghese, BL, 9/9/01)*

## E - TOURISM, SOCIETY AND IMPACTS

**E00 Social Impact of Tourism**

Goa, Pondicherry, Daman and Diu are getting to be known as the booze havens of the country, thanks to the soft liquor taxation policy followed by their local governments. Though Goa is making a noise about it, so far at least, nothing really has happened. They have also become very popular tourist destinations and get regular customer from the neighbouring states. Hotels too have rooms fixed not at a per day rate, but at 5-7 hour stretches. Daman & Diu especially gat a number of day-trippers from Gujarat as Gujarat is a dry state. *(Pack of four, cheerleaders, TOI, M, 22/4/01)*

**E01a Environmental Law and Policy**

The Indian Council of Forestry Research and Education (ICFRE) in Dehra Dun has prepared a Forest Research Perspective plan for the country for the next 20 years based on the problems identified at the grassroots. ICFRE had funded or proposed to fund Rs. 234-cr all over the country, involving 544 research projects. The agricultural universities, forestry colleges, State forest departments, NGOs and other recognised institutions took up the projects. *(20-year forest research perspective plan ready, K.Jeevan Chinnappa, TH, 15/7/01)*

**E21 Tourist Police/security**

Tourist Police Squads, which first made their appearance in Mumbai last October, face their acid test this summer. With the city witnessing a huge inflow of domestic and foreign tourists since March, these squads are expected to work round the clock, looking into the security concerns of tourists and providing them with on-the-spot guidance. The police have special kiosks located at the Gateway of India, Nariman Point, Girgaum Chow patty, Hanging Garden, Juhu beach and the Chhatrapati Shivaji international airport at Sahar. The role of the tourist police is merely to provide a sense of security at the tourist spots and give guidance in certain cases. The squad will also ensure that beggars, pimps, eunuchs and

commercial sex workers do not harass tourists. *(Mumbai Darshan: A tale of six squads and tourists too many, Somit Sen, TOI, M, 30/4/01)*

**E30 Tourism, Public Safety and Health**

Of late there has been a severe shortage of the yellow fever vaccine. Making full use of this situation a number of travel agents have started issuing false certificates, as it is mandatory for travellers travelling to some countries in Africa and South America. *(Travel agents make hay as yellow fever vaccine is in short supply, Seema Kapoor, TOI, M, 1/9/01)*

**E42 Commercial Sexual Exploitation of Children**

Labour Department Officials who conducted a surprise raid in several hotels in Hassan rescued six child labourers and took action against the hotel owners. The officials rescued two children from Keralapura Hindu Military Hotel on Kasturba Road, one child from Sudha Hotel in Park Road, two from Hotel Pushpak and two from the Rajat Military Hotel. *(Child labourers rescued from hotels in Hassan, DH, 10/1/01)*

A local court heard the bail plea of the Swiss Couple held in India since December 16 last year for allegedly shooting pornographic pictures of minor children. The couple, William Albin Marty (58) and Loshair Lily Marty (57), were produced before a metropolitan magistrate who remanded them to judicial custody till January 22. According to the police, the couple lured the kids with money, attractive clothes and free rides to perform sexual acts for the camera. The movie was then sold for a price to people abroad. *(Court will hear bail plea of Swiss couple today, TOI, M, 10/1/01)*

Despite the city police claiming that it has cracked the whip on child pornography by arresting the Swiss couple last December, incidents of slum and street children being lured by foreigners to pose for pornographic videos and pictures are on the rise, social activists allege. These foreigners, they claim, are involved in a multi-billion-dollar racket with a flourishing market abroad. Despite the fact that the racket has been in existence for over a decade, the police are lackadaisical about tackling the problem. Social activists, however, complain that even when given a lead, the police are uninterested in following up the issue of child sexual abuse. According to police sources, child pornography is rampant in many parts of the country. Apart from Goa and Mumbai, there is evidence that such rackets operate in other Indian states like Kerala, West Bengal and Himachal Pradesh. *(Cases of urchins being lured by foreigners for pornography on rise', Somit Sen, TOI, M, 7/2/01)*

In a significant move to stop trafficking of Muslim children to Saudi Arabia for begging during Haj, the National Human Rights Commission (NHRC) has asked Home Ministry External Affairs Ministry and West Bengal Government to take steps to prevent the practice.

The Commission, taking suomoto cognisance of a news report, has asked Central Ministries and West Bengal to take up "preventive measures" to check the child trafficking. The NHRC recommended that the people from the vulnerable sections should be educated and made aware of the dangers of child trafficking especially that of the girl children. *(Prevent child trafficking during Haj: NHRC, DH, 25/6/01)*

The Vishakapatnam Police have arrested Paul Allen and charged him with child abuse, unnatural sexual exploitation, escaping from police custody and violation of Foreigners Act since he has no valid documents to stay in the country. He runs

several homes for street children in five coastal towns but does not have a valid license for a single home. *(Home inmates face public ridicule, DH, 29/8/01)*

Eric Rosser, one of the 10 most wanted criminals of the US was arrested with a false British Passport in Bangkok. Rosser is an admitted child molester and has a number of cases against him. *(Piano-toting paedophile, Shyam Bhatia, DH, 6/9/01)*

In a well-organised racket, young boys have been put on the job to tab women foreigners touring the temple city and showcase not only male prostitutes before them but also provide accommodation as well. Senior Administrative Officials of the region are now grappling to chalk out a strategy to crack these gangs after a series of complaints from tourists were received. *(Children are being used in 'adult games' in Varanasi, Pervez Iqbal Siddiqui, TOI, M, 13/11/01)*

**E50 Tourism and Children**

The President of the Karnataka State Hotels and Resorts Staff and Workers Union, Mr. B.R.Shivshankar, has accused the State Government of ignoring the plight of child labourers in hotels and resorts. He told press persons that basic wages; bonus, provident fund and leave were not guaranteed for these children. Despite working for more than 12 hours, they were not given proper food. The Labour Department had denied that there was child labour the State, but the Hotel Industry continued to hire child labourers through contractors. The long working hours and less pay given to them were clear examples of the existence of bonded labour in hotels. In the State, the Hotel Industry had grown tremendously, but child labour continued unhampered in Hotels and Resorts. *(End child labour in hotel industry, TH, 26/5/01)*

**E71 National Parks and Sanctuaries**

Confirming fears of Environmentalists, the Centre has informed the Supreme Court that the proposed Controversial Kotdwar-Kalagarh-Ramnagar highway would pass through the buffer area of Corbett Tiger Reserve and did not rule out felling of trees. The Supreme Court had on April 9 had passed a stay order when Wildlife Protection Society brought to its notice that the proposed highway would cause irreparable damage to the reserve and ecology. The Ministry expressed the apprehension that the passing of a road through the buffer zone had the potential of blocking the migration routes and fragmenting the habitats of wild animals.

The Supreme Court on April 9 had stayed the Controversial Highway Project of the Uttaranchal Government from Kotdwar to Ramgarh on the allegation that the proposed road would pass through the Corbett Tiger Reserve resulting in the felling of thousands of trees. A three-judge Bench headed by Chief Justice A S Anand had directed the Uttaranchal Government to immediately stop **"construction of the road passing through Corbett Tiger Reserve"** and asked it not to fell any tree in the Reserve. *(Highway to cut through buffer zone of Corbett Park, SC told, DH, 21/5/01)*

Environmentalists have repeatedly expressed concern over the large scale dumping of non-biodegradable garbage in the Nanda Devi Biosphere Reserve, a renowned World Heritage site in the Himalayas. The 2000 sq km of enchanting area has now been cleared of this pollution thanks to a recent 'Clean Nanda Devi Expedition 2001' of the Garhwal Rifles regiment of the Indian Army. In a unique record, the 40-member team has removed environmentally hazardous garbage, weighing more than 800 Kgs, from the reserved area and airlifted it to Dehra Dun after successfully scaling Nanda Devi. This is looked as a significant step to preserve and maintain

the ecological balance of the reserve. *(Army team clears 800kg of garbage from Nanda Devi, DH, 26/11/01)*

## G - COASTAL REGIONS – ECOLOGY, DEVELOPMENT AND TOURISM

**G10 Marine and CRZ Acts, Rules, Laws, Community rights, violations**

A Workshop was organised by Nagarika Seva Trust and Equations on the Coastal Regulation Zone. The participants of a workshop on coastal regulation zone from four Southern Coastal States demanded that a status quo of activities should be maintained and a moratorium should be declared on any further clearance for activities in coastal stretches until finalisation of Coastal Zone Management Plan. The participants who included NGOs, environmental and consumer groups and others expressed concern that the norms for regulation and prohibition of activities along the coastal stretches that had been issued through the CRZ notification had been violated blatantly.

The Hotels and Resorts at Murudeshwara in Uttara Kannada district were a clear instance of these violations where the construction had begun on an area located at zero meters from the High Tide Line (HTL). Similarly the Kakinada minor port in Andhra Pradesh was situated on ecologically fragile CRZ area.

They demanded that there should be greater transparency in Coastal Management aspects. The Coastal Zone Management authorities should be reconstituted with adequate representation to voluntary organisations working on coastal groups. The Conservation plan that is to be evolved should keep in mind the Traditional Livelihood Concerns based on the carrying capacity of the area. *(Moratorium on coastal area activities sought, DH, 22/2/01)*

CMs and Tourism Ministers of the Western Region States of Maharastra, Gujarat, Goa, MP and Chattisgarh attended the Tourism Industry's 10th Regional Convention. They propose to start a Western Region Circuit to Sustain and Promote Tourism within the region. The convention also saw the seaside states push for a relaxation of the CRZ. *(Coastal states to push for relaxation of CRZ, Western region tourism circuit proposed, DH, 24/7/01)*

In a Development that is being planned by the Environmentalists, the Union Ministry of Environment and Forests is considering the revamping of the CRZ to make it more region specific. *(Bid to revamp CRZ is likely to run into stormy waters, Vaishnavi C Shekar, TOI, M, 25/7/01)*

**G10k Karnataka**

A Government notification is now moving into the public spotlight with Environmentalist Organisations along the Karnataka Coastline seeking action against those responsible for the non-implementation of the guidelines of coastal development under the Coastal Regulation Zone (CRZ) notification. The notification declared coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters influenced by tidal action up to 500 metres of the high tide line and the land between the low tide line and the high tide line as a regulation zone and imposed restrictions on the setting up and expansion of industries, operations or processes in this area. Ten years down the road, a series of three surveys conducted by Nagarika Seva Trust, a voluntary organisation, has identified as many as 95 possible violations of the CRZ notification along the Karnataka coast. Of these 95

violations 19 pertain to the Tourism Industry (20%). *(Action sought against violations of CRZ norms along Karnataka coast, BL, 13/2/01)*

**G90 Coastal tourism**

The Maharastra State Government has written to all Chief Ministers of the Coastal States to seek their co-operation in jointly approaching the Centre for changing the existing regulation on development of the coastline, which were hampering the development of tourism in these regions. *(Call to develop tourism in coastal regions, BL, 27/8/01)*

## K - KARNATAKA

**K10 Economy**

Karnataka's annual plan size for the current fiscal year has been finalised at Rs 8941.56-cr with the permission for the state to go in for higher outlay if it could identify more resources at a later stage. *(Karnataka plan at Rs 8941.56-cr, BL, 28/9/01)*

**K12 Infrastructure, power**

The Newly floated special purpose vehicle, Bangalore International Airport Ltd (BIAL) for the Devanahalli Airport has got into the work mode by scouting for more minor partners to join the project; and taking stock of the peripheral infrastructure activities that should be in place at the site. In the months to come, core activities for the airport such as power, water supply, communications will get under way. These would be in place when the two finalist consortia, which are in the race for the project, submit their detailed project reports around April. Getting environmental clearances and geo-technical surveys will also be among its tasks. *(Hunt for Devanahalli airport partners begins, Madhumathi D.S., BL, 10/01/01)*

The Karnataka State Cabinet has started negotiating with a consortium comprising Siemens, Zurich Airport and L&T for taking up the work on the Bangalore International Airport. A committee consisting of five experts has been given two months time to negotiate with the consortium. The government had two options - either to go for the consortium comprising Hochtief & Dusseldorf Airport or for the Siemens-led consortium. The Evaluation Committee and Airport Development Plan reports have placed the Siemens consortium above the Hochtief & Dusseldorf. The Siemens-led consortium envisages an airport at Devanahalli with an initial capacity of 3.7 million passengers, and 140,000 tons of cargo. The existing airport has capacity of 2.4 to 2.5 million passengers. *(State Govt to hold talks with Siemens-led consortium on airport, DH, 26/6/01)*

Malaysia's ARA Corporation has agreed to develop and operate all the four minor airports in Karnataka that were offered for private sector investment in June last year. ARA is the lone qualifying bidder that has offered to take up all the Four Minor Airports at Mysore, Hubli, Bellary and Gulbarga. The project estimated at $5.5 million (around Rs 25 cr) was proposed on BOOT basis during the Global Investors' Meet and received nine expressions of interest. *(Malaysian firm keen to develop four Karnataka minor airports, Madhumathi D.S., BL, 11/1/01)*

Home, Infrastructure Development and Civil Aviation Minister M Malikarjuna Kharge informed the Legislative assembly that negotiations with the Siemens consortium for taking up work on the proposed Bangalore International Airport at Devanahalli would be completed by August end and the first phase of work on

the project will commence as per schedule either in Jan or Mar 2002. *(Devanhalli Airport- first phase to begin in 2002, DH, 25/7/01)*

**K20 Environment and environmental issues**

The Karnataka State Government intends to introduce amendments to the Forest Act in the Budget Session of the Legislature. The Government was seriously considering the inclusion of the recommendations put forth by the Dilip Singh Bhuria committee, which highlights the need for people's participation in the management of forest and village resources. *(Forest Act to be amended, TH, 10/1/01)*

The Joint Forest Planning and Management (JFPM) programmes implemented in the Western Ghats and Eastern Plains with massive foreign assistance have not yielded positive results and hence, a need to formulate a new policy that is a truly participatory in Nature and Sustainable, is felt by the Village Forest Committee representatives, Non-Governmental Organisations and Researchers.

Participating in the State-level convention on "Participatory Forest Management Policy," the speakers said though the JFPM programmes have created significant interest and awareness in the forest management among rural communities, it has neither prevented forest degradation nor benefited local communities. *('Forest management plans have not yielded results', DH, 15/12/01)*

**K34 Bangalore**

The Centre said that the Airport Restaurant at Bangalore was part and parcel of the transaction for the Bangalore Hotel Ashok deal, which was clinched by the Lalit Suri-promoted Bharat Hotels Ltd. The Union Minister for Disinvestment, Mr Arun Shourie, said that the Information Memorandum of Hotel Ashok Bangalore included all the information concerning Airport Restaurant, Bangalore. The restaurant was being run as part of the hotel and, therefore, did not warrant a specific mention in the advertisement inviting expressions of interests (EoIs). *('Bangalore airport restaurant part of Hotel Ashok deal', BL, 5/12/01)*

**K40 Karnataka Tourism Policy and plans**

The state is eyeing between Rs 600-700-cr in Private Investment to set up Hotels and Resorts in select places identified on its 300-km coastline and in its lush forest zones. Azeezulla Baig, Director, Department of Tourism pointed out that Jungle Lodges and Resorts (JLR), which already runs five properties in the state, will be the nodal agency for promoting ecotourism. JLR is currently in the process of preparing project reports for the chosen areas- Tannir Bhavi, Belikeri (near Ankola) (both in the coast) and in eco-tourism, an area near Jog Falls to construct houseboats. The Hotel Industry has been making enquiries. Another option is that the properties could also be operated as joint ventures with JLR. While Karnataka has some of the most **'reputed ancient architectural sites'**, the catch is that with link roads being in bad shape, no big promoters want to put money into hotels in these regions. *(Neighbour's success wakes up a sleepy tourism dept, Karnataka to capitalise on its pristine coastline and lush forests; heritage sites get the go-by, Deepanjali Bhas, TOI, B, 15/3/01)*

The High-Profile Cabinet Subcommittee Comprising Ministers holding key portfolios constituted to facilitate co-ordination between various Departments on Tourism issues will soon wind up and be replaced with the State Tourism Council. The Committee set up during the Global Investors' Meet comprising ministers H.K. Patil, R.V. Deshpande, H.C. Srikantaiah, Allum Veerbhadrappa besides Roshan is giving a final shape to the report. With the winding up of the committee, the

report will be considered by the proposed Council. The Council will have less Government presence and more representation from areas where it matters. It will be made up of hoteliers, representatives from trade bodies like the Federation of Karnataka Chambers of Commerce and Industry, tour and travel operators and experts. *(Elite panel to advise govt on tourism, TOI, B, 12/4/01)*

The State Tourism Department is seeking a loan of Rs 100 cr from Hudco to develop Tourism Centres in the State. The loan would also be utilised for building up infrastructure for the Tourism Department in the State. A Cabinet decision would soon be taken regarding approaching Hudco for the loan. The State Government had identified tourism centres along the Mangalore-Karwar coastline that needed to be developed. The government is also planning to introduce water sports in selected tourism centres. Global tenders would be floated and the work of developing these tourist centres would be accorded to a single company.

Tourism Police: the Karnataka Government has decided to constitute a separate police force called as the 'Tourism Police' towards providing security to the tourist especially foreign tourists. The Government had decided to recruit around 1,000 police officers for the Tourism Department

Privatisation: The Tourism Minister has stated that as people who operated the tourism centres were not trained in tourism and hence the result has been unsatisfactory. The department therefore suggested that the tourist centres be privatised. A Mumbai-based consultancy agency has been hired to suggest ways of privatisation and the areas in tourism that needed privatisation. The consultancy firm had already given its report and the Government is studying its recommendations. These recommendations would soon be tabled before the State Cabinet for approval. *(Development of tourism centers, State govt to seek Rs 100 cr loan from Hudco, DH, 11/6/01)*

A Comprehensive Plan has been chalked out for the Development of Tourism in North Karnataka region and will be taken up with the assistance of the Centre and Financial assistance from Hudco to the tune of Rs 100-cr. *(Development of Tourism in North Karnataka State govt proposes Rs 100-cr plan, DH, 28/7/01)*

With nearly, 128 Centrally Sponsored Tourism Project remaining incomplete in the state, the Union Minister Anath Kumar had requested the CM to organise a 1-day meet of the Central and State Tourism Officials to remove the impediments in the completion of these projects. During the last 10 years the Centre has sanctioned 176 tourism projects worth Rs 256 cr. while Rs 194 cr had been released. Only 48 have been completed. *(Tourism: Krishna urged to convene meet, DH, 14/8/01)*

The Karnataka Government is keen to cash in on the sudden demand for Ayurvedic from Foreign Tourists and will introduce it in three of its tourist resorts (Bhimeshwari, Devbag and Kabini) in Karnataka. Figures released by the Planning Commission indicate that an estimated 300000 tourists to come to India specifically for ayurvedic treatment and at present only Kerala and to some extent Gujarat extent these facilities. *(Tourism department to follow in Kerala's footsteps, Anita Rao Kashi, TOI, B, 16/9/01)*

As a part of a complete overhaul of its image, the Tourism Department is in the process of setting up a Tourist Helpline, which will work round-the-clock and will be manned by a professional team. Information will be provided in Kannada, Hindi and English. A. F. Ferguson submitted its report in which it heavily critiqued

the way the KSTDC's Mayura Group of hotels were run and recommended its Privatisation (Tourism dept plans to overhaul image, a round the clock helpline likely to aid visitors, Anita Rao Kashi, TOI, B, 24/9/01, K40). *(Special police at tourist spots soon, DH, 28/9/01)*

KSTDC has invited bids for:
Installation of Pre-Fabricated House, etc. at Mysore, Srirangapatna and Jog Falls. Assistance from consultancy firms for the purpose of managing its various properties on a management contract basis. *(TOI, B, 19/10/01)*

With just a little over two weeks to go for the Globe's Biggest Tourism event (WTM), Karnataka was yet to finalise its Tourism Strategy to be presented to Foreign Tourists. At the same time, the Tourism Department was clueless about who represented the state. KSTDC and Jungle Lodges and Resorts Ltd. are the two organisations that will represent the state. Private companies such as Deccan Aviation and Eagleton Golf village would also be present. The other states participating in the event are Rajasthan, Goa and Kerala. *(No Karnataka strategy yet for London tourism show, Anita Rao Kashi, TOI, B, 24/10/01)*

The State Cabinet has decided to set up an Authority for the overall development of Jog Falls situated along the Western Ghats in Shimoga district. To start with, on the approval of the Finance Department, the Government has earmarked Rs 3.5 cr as seed money for the Jog falls development project. (Govt to set up authority for Jog Falls development, Cabinet approves KSRTC's loan proposal, DH, 24/11/01)

The KSTDC has called for tenders to provide catering and allied services for conducting tour by train. Applications are invited from tour operators approved by Department of Tourism, *Govt of Karnataka/ India possessing experience in providing catering and allied services to assist KSTDC in conducting Bharat Darshan 2001-02 tour. (DH, 14/12/01)*

**K50 Tourism issues**

Even tough much is spoken the tourism prospects of Uttara Kannada District, the people believe that little has been done by the district administration to develop tourism except to identify 40 tourist spots.

The Forest Conservation Act of 1980 comes in the way of developmental activities in the district, according to Ms. Margaret Alva, Kanara MP. Although only 46 per cent of the district is under forest cover today, over 80 per cent of the area has been classified as forest region. Since most of the development activities have to be implemented in the classified forest region, they have to undergo all sorts of 'ordeals under the Act, before the land is released for the purpose. According to Mr. Ravindranath Tagore, Director of Tourism, the Coastal Regulation Zone (CRZ) Act does not allow development of beach tourism. When the Taj Group proposed to set lip a hotel at Majali, it was opposed in the name of environment. *(Govt. neglecting tourism development in U.K. Dist., R.S.Habbu, TH, 14/6/01)*

Travel agents, tour operators and other persons associated with the hospitality industry have come under one umbrella to form the Karnataka Tourism Forum with an aim to make Karnataka, South India's tourism capital. The Forum is to promote adventure and eco-tourism apart from other tourist destinations in the State in association with the Department of Tourism. *(Forum to help boost tourism in State, DH, 15/7/01)*

A group of cooperatives in Dakshina Kannada has plans to make tourism affordable to the common people. The Riverview Cooperative Resorts Ltd. was the first venture in the tourism sector and aimed at creating facilities for bringing quality tourism closer to the budget tourist segment. The venture would start with a beachside resort near the confluence of Nethravati and Arabian sea. *(First co-op venture in tourism sector, TH, 24/7/01)*

The promoters of Orange County have set up a new division to provide management and consultancy services in the hospitality sector in the country. The new division would take up project management, marketing and sled contract. The company has already tied up with two resorts for handling their marketing and sales operations- Kadavu (Kozhikode) and Eagle Ridge (Bangalore). *(Orange County sets up arm for consultancy services, FE, 11/9/01)*

The KPCC Minority Cell tried to revive the issue of the leasing out of the Bakharabad Wakf property on Sankey road here for the construction of the ITC group's Windsor Manor Hotel 28 years ago, and has urged the CM to take steps for instituting a CBI probe into the matter. *(CM urged to order probe into lease of wakf property for hotel, TH, 12/9/01)*

The Biggest ever Reservoir of the Karnataka State which is under Construction, the Almatti dam, is set to turn into a Major Tourist Attraction with a Rs 30-Cr Amusement Park Featuring Water Sports, Rope-Way and Botanical Gardens to come up on the dam site. A bird sanctuary, to be housed on an island on the reservoir, will be an added feature. After the completion of all the works, the park will be given to private companies. The idea is to develop the area as a Tourism Hub. Historical Tourist Destinations like Gol Gumbaz, Badami, Pattadakal, Aihole and Kudala Sangama are all situated within a distance of about 60 kms from Almatti. *(Park, bird sanctuary to adorn Almatti dam, B S Satish Kumar, DH, 17/10/01)*

The Karnataka State Hotels and Resorts Staff and Workers Union staged a dharna in front of Mahatma Gandhi Statue on November 20th demanding minimum wages for workers of hotels and resorts and to protest the alleged assault on a hotel worker by his employer in the City. Mr Shivashankar, President of the Workers Union said that hundreds of workers employed in hotels and resorts across the state have been denied minimum wages, ESI, PF and other benefits. The dharna is being organised to highlight the problems faced by the workers in hotels and resorts. *(Hotel workers' dharna on November 20, DH, 16/11/01)*

As part of its Citizen Friendly Initiative, the Karnataka State Road Transport Corporation (KSRTC) has opened a rest room and dormitory facility at the Kempe Gowda bus-stand in the City for the benefit of travellers. "Yatri" which has been set up at a cost of Rs 70 lakh, is the second in the series after "Aaramadhama", a rest room, opened three years ago. About 28 rooms have been built in 14,000 sq ft area. Besides, a 90-bed dormitory has also been opened. *(KSRTC opens overnight rest rooms for commuters, DH, 21/12/01)*

While the leading cooperative banks have been offering personal loans in the range of Rs.5, 000 to Rs.25, 000 only, the Tumkur Hotel Owners' Credit Cooperative Society has been providing personal loans up to Rs.75, 000. The objective of the society, which was established in 1975, is to facilitate hotel and restaurant business in Tumkur. This is said to be a unique feat in the field of cooperation. The society has 154 members and is graded "A" by the Government. Started with 57 members and Rs.37, 600-share capital and Rs.70, 500 deposits, the society has lent Rs.77.26

- A Musical Fountain at Raja's Seat and
- Improvement of facilities at the Nisargadhama Resort, by introducing elephant rides and other comforts

*(Plans to make Kodagu more attractive to tourists, K.Jeevan Chinnappa, TH, 17/2/01)*

## L – KERALA

### L11 Planning

The New United Democratic Front (UDF) Government in Kerala will focus on attracting Private Investment in key sectors such as Industry, Power, Education, Infrastructure and Tourism as part of the strategy to resolve the Development Crisis in the State.

The Government will bring in a regulatory mechanism to relate the Development of Tourism destinations in the State to their 'carrying capacity'. The partnership with the private sector for the growth of the Tourism Sector will be strengthened. *(Kerala to lure pvt funds in key sectors, BL, 30/6/01)*

Idukki is embarking on a Major project to create a planned township. Tourism is being looked at as a Key Developmental Tool for the township that is being planned. Idukki, which has tourist attractions, like Munnar, Eravikulam, Thekkady, etc aims at having a sustainable and eco-friendly planned township and to be created on a build-operate-transfer (BOT) basis. They have received all the necessary clearances. Around 50 acres of land will be provided to private entrepreneurs to undertake remunerative projects under ROT. The various projects envisaged include hotels, shopping complex, cyber park, air strip, rock garden, games centre, art gallery, bio-tech part and convention centre, among a few. *(Idukki embarks on township project under BOT basis, Ajayan, FE, 19/9/01)*

### L12 Infrastructure

The Governments of Kerala and Malaysia have signed a pact on road construction. The company would upgrade and widen the existing 58-km stretch of the Sabarimala road and construct a new road between Kottayam and Chertala. *(Kerala, Malaysia pact for road construction, BL, 11/3/01)*

The Civil Aviation Ministry is all set to sign fresh bilateral agreements to allow more for Foreign Airlines to the Cochin International Airport. The request has come from the PMO. It is believed that more foreign airlines are needed to operate from Cochin keeping in mind two factors —large number of Keralites working in the Gulf and elsewhere and to enable high-value Europeans to travel directly to and from the City. At present, nine countries are interested to initiate bilateral talks for the Cochin Airport. They are Sri Lanka, Malaysia, Oman, Yemen, Kuwait, UAE, Saudi Arabia, Singapore and Qatar. *(Fresh bilateral for Kochi airport soon, TOI, B, 27/5/01)*

Considering the importance of inland water transport as an alternative and supplementary mode of transport, the Kerala Government has identified three waterways in the State for Developing Inland Water Transport along with Road Transport. The Project has already been taken up with the World Bank and a detailed report was being prepared through a consultant. The Three Waterways identified for development are Alappuzha-Kottayam (23 km), Alappuza-Changanassery (28 km) and Kottayam-Vaikkom (42 km).

The places to be widened in these stretches had been identified and dredging quantity was estimated besides bank protection with vegetation, night navigation aids, modification of bridges and maintenance dredging. It as also decided to undertake repairs to 23 bridges and three jetties in these areas. *(Kerala to develop three waterways, BL, 27/12/01)*

**L40 Kerala Tourism policy and plans**

The Kerala Tourism Development Corporation (KTDC) plans to reopen the Bolgatty Palace. This comes close on the heels of its launch of waterscapes, the backwater resort at Kumarakom and Tea County at Munnar. The two-century-old hotel, one of India's oldest heritage properties at Koch, has undergone extensive renovation and up gradation. The old World Charm has not been tampered with in the course of its renovation. *(KTDC to reopen heritage hotel, BL, 14/2/01)*

The Kerala Chief Minister, Mr E.K. Nayanar, has stressed the need to improve the Infrastructure for Promoting Tourism in the State. The Government had initiated various steps for the Promotion of Tourism Industry in the State. The Government had spent around Rs 1,010 cr with the Joint Participation of Private Sector for the Development of Tourism. A Tourism Promotion Project with an estimate of Rs 170 cr had been submitted for the approval of the Union Government that included the Development of National Waterway No.3 between Thiruvananthapuram and Kasaragod. He pointed out that the Union Government had prioritised a scheme for the construction of an 18-hole Golf Course of International standard at Kochi under the centrally sponsored scheme. Tourism Resorts Kerala Ltd. (TRKL) a fully-owned subsidiary of KTDC, has been authorised to invite pre-qualification bids from reputed master planners and consultants in India and abroad to conceptualise and detail out the master plan. *('KTDC making great strides with new enthusiasm', BL, 20/2/01)*

TRKL is also planning an Air Taxi Project linking popular destinations in the State. To begin with, Helicopter or other Aircraft services will link destinations such as Kovalam, Ponmudi, Kumarakom, Thekkadi, Munnar and Kochi. The feasibility report on the project is being prepared by ICICI-Kinfra. The Company has already floated joint ventures with the Taj and Oberoi groups. It is now looking at proposals for Joint Ventures with Hotel Chains like Leela and Banyan Tree to set up tourism projects in new destinations across the State. *(Tourism Resorts Kerala plans air taxi project, BL, 19/3/01)*

The World Travel and Tourism Council (WTTC) will now be involved actively in the development of infrastructure and marketing of tourism in Kerala. The WTTC-India Initiative has formulated an action plan for implementation together with the Kerala Government so as to assist the State in becoming a global success story in the tourism sector. The collaboration aims at developing Kerala into a premier destination. The declaration will establish a partnership between WTTC and the Kerala Government, which will bring together the innovation and responsiveness of private industry and the responsibility of the private sector to facilitate the sustainable development of travel and tourism industry in the State. It would also help in recognising the potential of travel and tourism to stimulate socio-economic growth, spread wealth and create jobs in the State.

Areas identified for support include formulation of international marketing strategy, infrastructure development, human resource development and strategic planning. WTTC will also work together with the Kerala Ministry of Tourism develop a tourism satellite account to measure and communicate the full impact of the industry on the State. *(World body to promote tourism in Kerala, BL, 22/3/01)*

Kerala is proposing to introduce a legislation to streamline the growth of tourism and relate Infrastructure in the State. A draft legislation is under preparation that would lay-down norms for construction at tourist sites. The law would restrict the number of hotel rooms according to the "carrying capacity of each place". The Centre for Earth Science Studies is conducting a scientific study to ascertain the amount of tourist traffic that each spot can sustain. The law would also restrict the heights of buildings and specify the look of their facades too. No building would be allowed to rise above the height of a coconut palm. The facades would have to reflect the "traditional architecture" and should "jell" with the surroundings. The law would also lay down stringent norms to protect the fragile environment of the State. To boost `Tourism' in the Northern part of the State, the Government is thinking of opening up the several Wildlife Sanctuaries, currently not open to the public. *(Kerala to lay down norms for tourism infrastructure, BL, 17/5/01)*

There were rumours that the KTDC hotels were being sold to the Taj group of Hotels. But it was later made clear by the Government that there was no proposal before the Kerala State Government to hand over any of the properties of the State-owned Kerala Tourism Development Corporation to the Taj group. The UDF Government's policy would be to retain and strengthen public sector units while creating a liberal climate' for private investment in all key areas such as tourism, information technology and biotechnology. *('No move to hand over KTDC hotels to Taj', BL, 28/6/01)*

A new Bill titled Tourism (Conservation, Preservation and Trade) Bill, to regulate the whole gamut of Tourism-related operations in Kerala, is likely to be tabled in the next session of the Assembly. With this, Kerala will be the first state in the country to frame a piece of legislation aimed at regulating various kinds of business connected to tourism. The Bill, envisages the streamlining of all Tourism-Related Operations including the Classification of Houseboats and Ayurvedic Treatment Centres. *(Kerala may table Tourism Bill, Guidelines for houseboats, ayurvedic treatment centres planned, Manoj K Das, IE, 31/7/01)*

A MoU has been signed between IC and the Department of Tourism, Kerala, to boost Tourism in the State. The MoU, valid for three years, is to see IC tie up with various hotel properties in the State to formalise Holiday Packages. Furthermore the Government will appoint IC as its General Sales Agent (GSA) at all foreign stations where the airline has its offices. IC will develop packages such as health packages and backwater packages. *(Kerala will be first to frame tourism Bill, BL, 11/8/01)*

The **Kerala Government** has kicked-off a yearlong **'Tourism Awareness Campaign'** which aims at creating and maintaining a positive orientation towards tourism and hospitality among the people. The campaign will have active participation of all the 14 DTPCs in the state. KITTS will also conduct training programmes for those connected with tourism. The other objectives include creating platform for expressing and exchanging ideas about tourism and to impress upon the importance of the sector for employment opportunities. *(Kerala bid to meet crisis on tourism front, BL, 21/9/01)*

The Draft Paper of Tourism Vision-2025 proposes to increase tourism earnings by 10%. The draft promises that at least one-tourism products would be developed and promoted every year. 200 hotel rooms to be added every year in each star category. The prime objective of the draft was to present tourism as a core competency sector. It also envisages disbursing backwater-based tourism activities to the Malabar region by developing the needed infrastructure. *(Kerala targets 10% annual tourism revenue growth, FE, 13/9/01)*

The Kerala Government convened a meeting of all the Major Tour Operators in the State to discuss steps on how to overcome the crisis on the tourism front. The meeting will look into many suggestions in this respect, including ways to attract tourists from Europe, Gulf and from within the country. *(Kerala kicks off tourism campaign, BL, 21/9/01)*

The Tourism Department, in its bid to market Ayurveda as a part of its Tourism Package, has prepared a scheme for classifying ayurvedic centres attached to hotels and tourist resorts. Presently several of them were operating on their own terms and often flouted safety and health regulations. The ayurvedic centres would be classified under to broad categories namely, 'green leaf and olive leaf'.

As part of the State's Tourism Plans, talks were on for Promotion and Development of Fort Kochi, Mattancherry and Cherai beaches. With the coming of the Goshree bridges linking all the islands off Kochi, the Department would take up the construction of a boat bay funded entirely by the Tourism Department. Work on this would begin soon investing Rs 70-lakh for the boat race pavilion at Alappuzha. *(Plan to classify Kerala ayurveda centres ready, FE, 5/10/01)*

The Kerala Government has requested the Centre to introduce on-the-spot Tourist Visa facility in the State for Tourists from Select Countries. The Government wants the facility to be provided in the Thiruvananthapuram International Airport. The facility is now available only in the four metros in the country. Apart from this, the Centre has been favourable to the Tourism Projects submitted by the State and some of them have already been sanctioned. *(Kerala requests Centre for on-the-spot visa facility, BL, 6/10/01)*

The Kerala Government is expecting a whopping Rs 5,000 cr of private sector investments in the Tourism Sector in be next five years. The state has decided to give thrust to joint sector Development of Tourism in the State and at the same time concentrate on eco-sustainability. This Joint Development, whereby the state will ideally invest around 26 to 33 per cent equity and act as the facilitator and the private participant would put in majority of the funds as well as manage the properties, could be in two areas-development of destinations as well as stand alone properties. Among the Major Projects identified by the stale include a 200-acre small-hill near Thenmala, 12,500 hectares hill station in Vagamon, apart from integration of beach and backwaters in Bekal.

The State Government has appointed Florida-based PKF consultants to make the Master Plan for the next 30 years Development in Vagamon. Meanwhile, it has hired Tata Consultancy Services to study the carrying capacity of most of the existent and future holiday destinations in the state. *(Kerala pins hopes on Rs 5,000 private funds for tourism, FE, 30/10/02)*

The Kerala Government is proposing to hold a meeting of the CMs and Tourism Ministers of all the Southern States to formulate a plan for Tourism Promotion in the South. One of the key issues to be addressed is varying tax structures in the four states and the need for an uniform one. The Tourism Infrastructure in Kerala has attracted investment over Rs 1000-cr and the Government has a well-defined policy on joint ventures with the private sector. Ayurveda and the backwaters are the two main platforms on which Kerala plans to position itself. Two New Hill Stations are also being developed and will be publicised after a carrying capacity assessment is carried out. *(Kerala bid to promote tourism in South, BL, 31/10/01)*

KTDC is to enter into a tie-up with Indian Railways for special packages to tap the domestic tourism segment. The Indian Railways will attach a 3-tier A/C coach with the weekly Nethravathy-Thiruvananthapuram Express, via the Konkan route and the KTDC will offer these rail passengers a weeklong tour package at various destinations in Kerala. Designed on the lines of Palace-on-Wheels, this is the first such attempt by any tourism corporation in the county. At present two packages being offered by KTDC to the Tourists. The tourists are entitled to stay in the prime properties (Aranya Niwas, Tea County, Hotel Samudra, Bolgatty Palace and Waterscapes) of KTDC and also the Taj Properties (Residency, Cochin and Taj Garden Retreats at Varkala and Kumarakom). Intersight Tours and Travels, Kochi has been made the marketing agent of this package. If found viable, similar tour packages like Thiruvananthapuram-Chennai, Thiruvananthapuram-Delhi and Thiruvananthapuram-Kolkata will be extended to other parts of the country. *(KTDC to team up with Rlys to tap domestic tourism, FE, 17/11/01)*

KTDC has announced three special holiday packages comprising stays in KTDC resorts at prime locations, complimentary food, resort activities and games.

- The first of these packages designed for domestic tourists, "Exclusive Escapades", targets the premium segment.
- Economy packages under "Value Vacations" offer opportunities to discover the attractions of the State while staying at KTDC resorts in various destinations.
- "Age Halt", the third package on offer, is a blend of the best of ayurvedic rejuvenation therapy at the luxury resorts owned by KTDC. Oil massages, medicated baths, herbal diets, yoga and meditation extending for periods from four days/three nights to 15 days/14 nights. *(KTDC's three new holiday packages, BL, 20/11/01)*

Ms Padmaja Venugopal, chairperson of KTDC, has refuted allegations that she was orchestrating moves along with the Tourism Minister K V Thomas and AICC general secretary Gulam Nabi Azad to hand over the Pathiramanal island in Alappuzha district to the Oberoi group for tourism development. Ms Venugopal said quoting a Government order that it was indeed the previous LDF Government which decided to hand over the Pathiramanal island in Alappuzha district to the Oberoi group and that she had no undue interest in it. Regarding her trip to the London WTM, Ms Venugopal said she had led one of the smallest State Teams in the Country to the Meet. The Kerala pavilion was well appreciated and her team had bagged Tourist Bookings worth Rs 14 lakh and preliminary talks were held for investments worth Rs 25 Crores. *(Padmaja refutes charges on tourist project, DH, 21/11/01)*

The Kerala Tourism Department is to have a Scientific Study undertaken by the World Travel and Tourism Council (WTTC), which have several partners. With Kerala as its first partner state in the country it has launched the **Tourism Satellite Accounting**. This is the first time that such a study is being undertaken in the "country by any individual state. The total cost of the study is estimated to he $40,000. The state government had offered to supply all the necessary data based on which the council would 'look at how best to address policy development in areas such as infrastructure training, technology and taxation.

The studies would look into the key economic factors like GDP, industry demand, employment, capital investment and visitor exports The study would look into environment impact, human resource availability and the other potential areas of Kerala. *(WTTC launches tourism research project in Kerala, FE, 11/12/01)*

Kerala's efforts to include Sri Lanka, contiguous states, and regional economies in tourism promotion underlines how regional cooperation based on practical realities can drive growth. The sector focus is commendably precise: tourism. Notable, too, is the intent to support tourism aims by coordinating with others in infrastructure, and service-related areas like marketing and human resources. This is an excellent instance of an "optimal" economic sector being first identified by all the existing players of an area. They will take matters forward since there is under-utilised potential. Such a process is far more assured of success than macro regional cooperation efforts based on a political "declaration of intent'.

The regional cooperation model must be applied to other parts of India too. Tourism is simply waiting to be further developed along the Ajanta-Ellora and Varanasi-SarnathBodhgaya-Rajgir-Nalanda circuits, to name just two. India already knows that huge numbers of Japanese, and other:

Buddhist, tourists are awaiting infrastructure, and other upgrades in these circles. So this is the time to encourage private businessmen, municipalities or cities to access non debt creating funding from all those who have a willingness to visit spots. That such capital is available was proved by the 1988 sanction of funds by Japan's government for places associated Lord Buddha's name. *(Tour de force, ET, 31/12/01)*

**L50 Tourism/Tourism issues in Kerala**

The Kerala State Industrial Development Corporation (KSIDC) has drawn up plans to set up a 'holistic health village' in association with Matha Amrithanalda Mai Trust. The Rs 250-cr village is planned to be set up at the Industrial Growth Centre of KSIDC in Kozhikode. According to KSIDC officials, the village will provide comprehensive treatment under the various systems of alternative medicines to patients from all over the world. *(KSIDC to set up health village, BL, 19/2/01)*

Kerala has been repositioned as a destination for the global up-market tourist. No other destination in India in the recent past has attracted so much media attention and acclaim-as Kerala in the last year or two. The National Geographic Traveller, in a millennium collectors' issue, which was researched for almost three years, identified Kerala as one of the 10 paradises in the world, and the only one in India. The World Travel and Tourism Council, has chosen Kerala as one of its partner States. The partnership is expected to bring together the initiatives of the private industry and responsibility of the public sector to facilitate sustainable tourism development in Kerala. *(God's own country beckons elite tourists, BL, 30/4/01)*

Hoteliers are eyeing Kerala in a big way to set up luxury properties. While the Taj Group already has six properties, the Oberoi Group is in the process of setting up two properties in the next three years. With the domestic tourism increasing in Kerala by fourfold and inflow of foreign tourists doubling, the chains have every reason to invest. The Oberoi group has earmarked Rs 15- cr for setting up these hotels and a lot of NRIs are also setting up hotels. *(Hoteliers flock to Kerala now, Arshdeep Sehqal ET, 14/6/01)*

In a Major Expansion drive the Abad group of Hotels has emerged as one of the largest players on the Kerala Tourism Scene. The Company is in the process of executing half a dozen new projects under the Group's brand umbrella in the current year. *(Abad group among largest in Kerala tourism scene, S Sanandakumar, ET, 20/7/01)*

The Cochin-based Royal Group of Hotels is planning to build a three- star beach hotel near Cochin. The shipping division of the group has also recently signed an agreement with Tylos Ferry service that is operating a passenger ship between Dubai and Cochin to be its general sales agent in India for ticketing and port handling. *(Royal Group plants three-start beach hotel near Cochin, FE, 29/7/01)*

SIDBI has enhanced the capital outlay for financing service sector projects in Kerala from Rs 10-cr to Rs 25-cr. the interest subsidy for hotel projects would now be available in respect of SIDBI loans. *(SIDBI hikes capital outlay for Kerala service sector projects, BL, 13/8/01)*

Gulf carriers are set to enter Kerala skies in a big way in the coming months and expected to pose stiff competition, while at the same time offer wider choices for Kerala-bound expatriates. Keralites form around 45% of the passenger traffic on the Gulf-India sector. *(More carriers set to enter Kerala, BL, 28/8/01)*

The fall-out of the US-Taliban face-off has hit the Tourist Inflow to Kerala. In a bid to continue Tourist Inflow, Kerala will be attempting to wean Domestic Tourists, who are bound to the US or Europe. Overall Kerala saw a 107% growth last year in the number of tourist inflow. To promote 'Tourism in Kerala' to the Domestic Segment, KTDC and private players in the State have jointly organised a number of road shows. *(US Taliban face-off to hit ke tourism, FE, 26/9/01)*

The sudden spate of cancellations from the overseas Tourists has affected the Tourism Economy of the State as well which had claimed that the US-Afghanistan war would have little impact on the State. In the thick of Tourist Season, Air Traffic in the State has nose dived by 40 percent. In Star Hotels in Kumarakom and Alappuzha, which spearheaded the high-income category tourist inflow, this year saw its inflow down by 60%. According to Aviation sources, the only sector where the fall was relatively low was the Gulf-Kerala to-and fro.

Kerala's Tourism Dollar gleanings

| Year | Revenue (Rs cr) |
|---|---|
| 1991 | 28.28 |
| 1992 | 59.75 |
| 1993 | 105.72 |
| 1994 | 116.11 |
| 1995 | 158.76 |
| 1996 | 196.38 |
| 1997 | 227.33 |
| 1998 | 302.08 |
| 1999 | 416.07 |
| 2000 | 525.30 |

Source: Kerala Government
*(Kerala tourism crestfallen despite State govt bravado, Air travel phobia hits business, M Sarita Varma, FE, 16/10/01)*

The first chartered flight of the season landed at Kerala with its full passenger-load of 300. The charter, comprising mostly of travellers from the United Kingdom and France, was the combined effort of four European travel companies Manos, JME, Jewel-In-The-Crown and Check-It-Out. It was the first time that these four mutually competing travel majors in Europe have organised the trip. They came together mainly due to the high risk in solo tours. The will operate trips once a

week till January. The Kerala Tourism Department is also hopeful of receiving more Charter Tourists to the State. *(Tension ease in Kerala tourism as first charter lands full-load, FE, 6/11/01)*

Shah Rukh Khan and Juhi Chawla have been roped in for 'The Grand Kerala Festival', a month-long tourism extravaganza being organised in Kochi by Kerala's Department of Tourism, in association with Zest-Connect. Ms Rakshin Patel, Senior Vice-President and General Manager, Thomson Connect, adds that the idea is to turn the festival into a yearly event. The events that are a part of the festival are "tailor-made to suit both Domestic and International Tourists as well as the huge local population. Also on the cards are an art and handicrafts fair, a food festival, helicopter rides over Kochi and a range of water sports. The Ernakulam Chamber of Commerce has urged all commercial establishments in and around the city to participate in the venture by offering discounts. *(Star-call in God's own country, Sankar Radhakrishnan, BL, 10/12/01)*

**L51 Coastal Tourism**

The Kerala State Government has chalked out ambitious Rs 154.67-Cr water high way projects from Kasaragod to the State Capital, with an aim to exploit the immense potential of Backwater Tourism. Once the 620 km-long water highway, having three tunnels at different places, becomes a reality, tourists can travel from one end of Kerala to the other in house boats.

If funds were made available on time, the project would be completed within two years. For linking major rivers in certain areas to get continuation of the water highway, an estimated sum of Rs 57.58-cr would be spent. *(Rs154.67-cr water-highway project, BL, 13/1/01)*

The Director of Kerala Urban Development Projects has invited applications for pre-qualification of consultants for planning and designing the 'Theerapatham' urban development project at the cost of Rs 950 cr in Thiruvananthapuram. The project, proposed to come up over 16.50 sq km along the 16.5-km stretch of Parvathy Puthanar, a man-made canal flowing down the middle of Thiruvananthapuram, will connect two important tourist centres —the Akkulam picnic spot within the city limits and Kovalam beach towards the south. The stretch along Parvathy Puthanar from Akkulam to Kovalam is proposed to be developed into a neighbourhood township with facilities for trade and commerce, housing, parks and open spaces, sports, recreation, tourism and cultural centres. The project would be implemented with private participation. Recreational facilities include a Water Theme Park, Water Recreation, Traffic Park, Video Game Park, Food Kiosks, Restaurants, a Performing Art Centre, a Gallery and an Open-Air Theatre. *(Rs 950-cr canal walkway project for Thiruvananthapuram, Vinson Kurian, BL, 29/1/01)*

**L51a Backwater Tourism**

The Taj Group of Hotels has chalked out Rs 100-cr Investment plan for Kerala, the largest ever by the group since its entry into the State over a decade ago. In the first phase of the project, additional rooms would be constructed at the Taj Garden Retreat, Kumarakom at a cost of around Rs 10-cr. An additional investment of Rs 40-cr would be made on the new property to be developed at Munnar and another 40-cr to be spent on the resort at Bakel. *(Taj group plans major investment in Kerala, BL, 2/1/01)*

The Kerala Tourism Development Corporation (KTDC) also plans to set to launch "Waterscapes", a luxury backwater resort, at Kumarakom, the State's Latest Tourism Hotspot. Designed by renowned architect, Mr. Gerard da Cunha, the resort is spread over seven acres of lakefront property and houses 40 independent cottages on stilts, of which 21 are already functional. Built at a cost of Rs. 7.16 cr, the resort features a reception which can be accessed from the lake by a walkway on stilts, a multi-cuisine restaurant, again on stilts, swimming pool, kids pool, bar, amphitheatre, air-conditioned conference hail and an Ayurvedic centre. *(KTDC to open luxury resort at Kumarakom, BL, 9/1/01)*

Kochi-based Aryan Resorts Rivers Resorts (P) Lid is to launch a New Project along the Chalakkudy River in Thissur District. The 5.6 cr. project will see an exclusive tourist enclave coming up on the banks of the river and a cruise along the 25-kms stretch of the river. *(Aryan Rivers resorts to launch project to promote eco-tourism, Ajayan, FE, 17/7/01)*

One of the few Tourist places that have not been affected greatly by the global recession is Kumarakom. The occupancy of the hotels is going full. But the economy is still low as the dollar rates charged for foreign visitors and rupee rates for the domestic counterpart vary greatly. Consequently, the curios, antiques and artefact shops have all but downed their shutters. The elaborately costumed ready-to-order Kathakali and other cultural artists are still waiting to perform but there have been no takers. *(Kumarakom defies recession, C.J.Punnathara, BL, 20/11/01)*

**L51b Kovalam**

Universal Enterprises, one of the two major tourism industry players in Maldives, has firmed up its India investment plans. The group has completed the groundwork for a large property in Kerala to kick off its operations in India. The proposed property in Kerala is planned to be set up near Kovalam, with an investment of $5-mn. The property will have 100 rooms to begin with. The move will mark Universal's serious foray into the Indian tourism sector and is also expected to give a fillip to Kovalam that has in the recent past witnessed a drop in tourist arrivals. *(Kovalam lures Maldivian firm, Joe A Scaria, ET, 14/6/01)*

**L52 Pilgrim Tourism**

**L52a Sabarimala**

One of the key issues the Travancore Devaswom Board (TDB) wants to be resolved through this year 'Devaprashnam' is whether the hill shrine can be kept open for darshan throughout the year. At present, the temple is kept open for darshan for 133 days a year. With the influx of pilgrims growing to unmanageable levels the TDB has been contemplating the idea of breaking traditions and permitting darshan throughout the year. It goes without saying that the market forces operating in Sabarimala have desired this for quite a long time.

The issue of keeping the temple open throughout the year is not to be seen merely as one pertaining to convenience in managing the influx of pilgrims. Nor is it solely a matter of breaking a tradition. The issue has to be seen against the tact that the shrine is situated in an area, which has great ecological significance. It will be calamitous to allow policies pertaining to such an area to be influenced entirely by the demands of the market forces. *(Sabarimala: market forces, threatening tradition, ecology? TH, 14/4/01)*

The government has announced various steps for the benefit of pilgrims at Sabrimala including a 600-mt permanent barricade at Chandranandan Road, temporary fly-over at Marakkoottam, oxygen parlours at hilltops and 24-hour casualty services at various places en route to the pilgrim centre. *(Steps announced for Sabrimala, IE, 22/9/01)*

**L55 Eco - Wild Life Tourism**

The Kerala Tourism Department is set to launch the Thenmala Ecotourism Project. The first phase of the project has been completed. The project, spread over the high ranges of Kollam and Pathanamthitta districts, will have three components, namely, eco-friendly general tourism, ecotourism and pilgrimage tourism. The Tourism, Irrigation and Forest Departments are jointly implementing it. The project is based on an environmental study conducted by Kerala Forest Research Institute. *(Kerala to launch eco-tourism, BL, 29/01/01)*

## M – TAMIL NADU

**M40 Tourism policy and plans**

A New Tourism Policy for the state is being formulated with special focus on infrastructure. The Government had studied the Tourism Policies of Kerala, Sikkim, MP and will be incorporating some of the better aspects of these policies. *(New tourism policy under way, BL, 10/8/01)*

The DoT is in the process of empanelling advertising agencies with international affiliations for Tourism Promotion Overseas. Dr V. Varaprasada Rao, Commissioner of Tourism, said that some of the agencies being considered are O&M, Grey Worldwide and HTA.

The Department is also upgrading facilities in 16 places of Tourism Interest. The centres have been identified by the District Collectors in places such as Top Slip, Poompuhar Mahabalipuram and Udagamandalam. Priority has been given to public conveniences, approach roads, lights, drinking water, rest sheds, parking lots and landscaping.

Some of the projects sanctioned are the development of Pulianchotai in Tiruchi district, village tourism at Srunkundram, Kancheepurain district, and Arjunas Penance, Mahabalipuram. The Government also sanctioned Rs 55 lakh for the tourism sector under the HADP. It includes providing facilities at the Kodanad View Point, Dolphin's Nose, Lamb's Rock, Doddabetta and Lady Canning Seat. There would be a meeting of the Tourism Ministers of the four southern States in the first week of January to work out a policy to interconnect the southern circuits. The Government was holding a series of meeting with the Centre on the CRZ (coastal regulation zone) and was trying to persuade it that the regulations need to be relaxed as seven projects on this stretch are stuck. *(TN plans tourism blitzkrieg abroad, BL, 20/12/01)*

Through attractively printed books, booklets, CD ROMs and video clippings, the state is all set to present itself more than just a site-seeing spot for tourists from India and abroad. For this, professional help is being sought at an international level. V Varaprasada Rao, state tourism commissioner, along with professional help and support from modern communication technology, leads the team.

Dr Rao told that the tourism department was planning to seek the assistance of professional travel writers and tourism experts and reputed advertising agencies to communicate what Tamil Nadu offers and where to look for what. They are also exploring the possibilities of marketing tie-ups with tourism companies and organisations in Thailand, Japan, Malaysia, Singapore and London. Companies in Japan, Thailand and London have responded and their proposals have been submitted to the government for approval. Others too are expected to come online soon.

Arrangements are also being worked out with states like, Kerala, Karnataka, Andhra Pradesh, Rajasthan, West Bengal, Maharashtra and the Union Territory of Pondicherry for mutual promotional tourism.

Their efforts are being supported by substantial budgetary allocation. Against just Rs 33 cr in 2000-2001, the state tourism department has a provision of Rs 17-cr in 2001-02 and Rs 5 cr for publicity alone.

The immediate culmination of these efforts would be the Chennai Festival, planned for December 2002-January 2003, in association with the Confederation of Indian Industry (CII) and South India Hotel and Restaurant Association.

The temple-centered tour packages of TTDC are a major attraction. The TTDC also runs 54 hotels in the state and has called for private entrepreneurs to take some of them on lease. The department is also appointing skilled guides to take visitors to the Western Ghats, Coromandel Coast, Cauvery, Poompuhar, etc. On its behalf, the Annamalai University has even started a course in guide training. *(Tamil Nadu plans to make tourism 'a spiritual experience', Joseph Vackayil, FE, 15/12/01)*

**M50 Tourism issues in Tamil Nadu**

There will be five new hotel projects coming up in Chennai in the next two years in the three star business hotel categories. Market sources pointed out that all the new projects, which have come up, are in the three star categories with rake rates being in the region of Rs 1,000 to Bs 1.200 per night. This pricing will ensure that the hotels do not fall into the State Government's 25 per cent luxury tax net. This has been a major incentive to opt for three star classifications according to industry sources. Other segments like resorts and leisure are dependent on inbound tourism and infrastructure, which has not yet taken off. *(5 three-star hotels coming up in Chennai, Nina Varghese, BL, 3/5/01)*

The 2001 edition of Chennai city survey released recently by the hospitality industry consultants, Pannell Kerr Forster (PKF) shows that the Chennai hotel market has remained flat in 2000-01. Room occupancy increased by just over .9% while room rates decreased by 1% in all categories of hotels. *(Chennai hospitality industry stays flat, BL, 26/9/01)*

The Tamil Nadu Tourism Development Corporation and the Tirumala Tirupathi Devasthanams have signed an agreement whereby the TTD will issue special entrance tickets to TTDC tourists enabling them to have darshan in two hours. Hitherto they had to wait for anywhere between 10 to 48 hours which adversely affected the TTDC trips as they had to be cancelled a number of times. *(Quicker darshan for Tamil Nadu tourists, TOI, B, 30/10/01)*

**M51 Hill Tourism**

**M51b Kodaikanal**

The lake of Kodaikanal that is visited by about nine lakh tourists a year may be dead before long unless sustained long-term restoration plans are taken. The water level of the lake with a perimeter of 4.8 km has gone down from 11 mts to 8 mts. Sewage and effluents from the surrounding residential premises and hotels have drastically reduced the oxygen content in the water, literally asphyxiating marine life of the lake and fouling the water. Atmospheric pollution has destroyed the trees around the lake. At least two projects to revive the dying lake — a Rs. 15-cr desilting plan and a master plan under the national lake conservation programme — are gathering dust. It is felt that to save Kodaikanal from the excess tourism, large-scale commercial cultivation and poaching needs a joint effort of voluntary organisations and various government departments. *(A dying hill lake screams for help, BL, 30/11/01)*

## N00 ANDHRA PRADESH

**Infrastructure**

About 1500 families of more than 10 villages are faced with losing their homes, land and their right of livelihood as the government of AP plans to acquire about 5000 acres to build the international airport in Shamshabad. The Shamshabad International Airport Land-losers Welfare Association points out that the government was dealing a double blow to the affected people. Not only is it displacing them, but is offering a pittance of Rs. 45,000 per acre as compensation whereas the prevailing market rate is between Rs 16-22 lakhs per acre. *(Problems and trauma of displacement, R Akhileshwari, DH, 24/01/01)*

The Andhra Pradesh Government, which has identified the tourism sector as a growth engine, has called upon the Union Government to pave the way for an 'Open Sky' policy that will facilitate direct investments in the aviation sector, bring in additional flights, as also expedite the growth of this vital sector in the country. The Government plans to conduct road shows and station state representatives in some targeted countries to attract tourist inflows. *(Naidu for 'open sky' policy to attract investments, BL, 3/2/01)*

Andhra Pradesh government has created an exclusive 'Hyderabad Airport Development Authority' (Hada) for speeding up the process of grounding the proposed international airport at Shamshabad, 30 km away from Hyderabad, and to develop the surrounding areas on par with international standards. The authority would pave the way for speeding up of the land acquisition process for the project The government has identified 5,000 acres for developing the first phase of the international airport and released Rs 10 cr. It has so far acquired 1,800 acres. *(AP gets airport development authority, M Enosh Jeremiah, ET, 4/10/01)*

The Andhra Pradesh Government and the GMR Vasavi-Malaysia Airport Holdings Berhard (MAHB) consortium, are awaiting the Central Government nod for certain concessions to go ahead with the project.

The developers had requested the State Government to consider tax concessions, which would facilitate the consortium to bring down the total project investment. Based on this representation, the State Government had petitioned the Central

Government for concessions.*(Sops sought for Intl. airport in AP, V Rishi Kumar, BL, 7/12/01)*

**Tourism plans and Policies**

The Andhra Pradesh Tourism Development Corporation has over the last few months invited a number of Expression of Interest (EOI) for various activities that have been planned from Corporate and Developmental Organisations. The activities planned in the state are:

1. Development of Bhavani Island, Vijayawada: An eco-tourism project. *(Invitation of EOI for development of Bhavani Island, ET, 6/1/01)*
2. Development of tourism facilities at Kalyani Dam. *(Development of Lake View Resort, BL, 16/2/01)*
3. Construction, operation and maintenance of a luxury cruise *(Luxury cruise for AP Tourism Corpn, BL, 22/2/01)*
4. An Oceanarium: Sea Life Theme Park
5. A 'Eco-Park'
6. A 'Health Retreat & Resort' A Golf Course cum Resort, *ET, 17/5/01)*

A series of agreements have been signed by the Andhra Pradesh Government with the Dubai Government, including an accord on co-operation in the tourism sector, is aimed at creating a 'win-win' situation for both sides, thereby boosting economic development. Both sides will set up a task force immediately and members of these groups will exchange visits on a regular basis. Promoters will also exchange visits to present touristic and related projects. *(AP to gain from Dubai's tourism expertise: Naidu, Vimala Vasan, BL, 17/1/01)*

The Andhra Pradesh Government has given a new thrust to the efforts of promoting tourism to Buddhist heritage sites in the State as part of its overall strategy to increase revenues through tourism that it recognised as a growth engine, next only to information technology. A lot of funds will be needed to improve and provide necessary infrastructure in the form of better roads, telecommunications, hotels, motels and efficient means of transport such as buses, taxis, train connections and air flights to attract foreign and domestic tourists. As the State Government is incapable of providing these facilities on its own, it wants to involve the private sector and play the role of a facilitator by co-ordinating the efforts of different players through leasing land at concessional rates and sorting out procedural problems if any. *(AP thrust to promote Buddhist heritage sites, J. Nanda Gpoal, BL, 17/3/01)*

The Governor has launched the 80-lakh twin-decked pleasure cruiser, Bhagmati, of the APTDC, in Hussain Sagar Lake. Similar projects would be taken up at Srisailam, Nagarjunasagar and Bhavani Islands reservoir at Vijayawada to promote tourism. *(Pleasure sruiser for Hussain Sagar lake BL, 13/8/01)*

The Government of India and the AP Government have decided to raise an AP Tourism Bhavan in Hyderabad to Promote Travel and Tourism through e-Commerce. The State Government would provide land and the centre Rs 5 cr. An Integrated Tourism Development Project would be taken up with the help of WB/ ADB/ OECD. As a part of the project, Visakhapatnam, Aruku and Bheemunipatnam would be developed. The estimated cost of the project is Rs 250 cr., *BL, 25/8/01)*

The Department of Tourism and Culture has paved the way for the introduction of the Kerala Ayurvedic Medicine Systems in the state by Santhigiri Ayurveda

and Siddha Vaidyasala of Thiruvananthapuram at 'Pragati Sparsh', a health village at Proddutur. The centre will be launched on September 20th. Similar Health Resorts will be promoted in places such as Vishakapatnam, Tirupati, Srisailam and Nagarjunasagar. *(Ayurvedic centre coming up in AP, BL, 7/9/01)*

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The developers had requested the State Government to consider tax concessions, which would facilitate the consortium to bring down the total project investment. Based on this representation, the State Government had petitioned the Central Government for concessions.

As of now, three imposts-foreign travel tax, passenger service tax and the internal travel tax are going to the Central Government pool without the States benefiting from them. Since the Government has embarked on the infrastructure project, if these taxes are extended to the State Government, this would help bring down overall investment on the project. *(Sops sought for Intl. airport in AP, V Rishi Kumar, BL, 7/12/01)*

Andhra Pradesh Government has appointed advertising agencies Mudra and McCann Erickson among others to create campaigns for promoting Andhra Pradesh as a tourist destination in all the Major Indian Cities. With that purpose, the State is planning yearlong festivals in different cities in the State. Currently it is promoting 'Visakha Utsav' - the four-day festival it is holding in Vishakapatnam from December 22 to 25 in all the metros. *(AP tourism ropes in Mudra, McCan for facelift, FE, 14/12/01)*

**Tourism issues**

Taking a cue from the Centre, the Andhra Government is planning to privatise maintenance of heritage buildings, in order to boost tourism and protect the monuments from decay. There are about 500 heritage monuments in the State, which are under the control of Department of State Archaeology and Museum. The decision to entrust maintenance of some of these buildings to corporate houses has been taken at a meeting of the Tourism Promotion Board chaired by CM N Chandrababu Naidu. Negotiations with the corporater would be initiated once the ongoing exercise of formulating the guidelines is completed. *(Andhra Considering Private Upkeep Of Its Heritage Sites, S Bachan Jeet Singh, IE, 6/1/01)*

As many as 26 citizens have given their consent to be part of the Paying Guest Accommodation scheme that has been mooted by the Tourism department. The scheme was part of the efforts to promote Andhra Pradesh as tourist-friendly State and to showcase its cultural heritage. A committee set up for this purpose scrutinised all the applications and selected nearly 26 owners. The next step that

the committee would take up would be the inspection of the houses. *(Hyderabadis to play host to tourists under scheme, S Bachan Jeet Singh, IE, 14/3/01)*

TMI-Nusantara Consultants, the Malaysian project consultancy and management major is exploring the possibility of a $100 mn investment in hospitality, technology and infrastructure project in Hyderabad. *(Malaysian co plans $100-m investments in Hyderabad, M Somasekhar, BL, 22/8/01)*

Citizens Against Pollution (CAP), an environmental action group, has charged the AAI with initiating expansion work of the existing Hyderabad International Airport without conducting proper statutory public hearing and mandatory EIA. They contended that the expansion of the runaway was detrimental to the people living in the Secundrabad area and some parts of Hyderabad. *(Opposition to Hyderabad airport expansion plan, BL, 27/9/01)*

Five countries and 160 corporates have so far confirmed participation in the "Great Mall of Hyderabad', a month-long shopping festival to be held from October 13. Major corporates in the country, including BPL, LG, Tata Cellular, Samsung, Nestle, HLL and Coca Cola would be setting up their stalls on the grounds of the National Academy of Construction (NAC) the venue of the festival. A 10-acre site at the NAC grounds has been entirely spruced up where live closed and two open pavilions were being erected.

Over 150 special buses and a special train between Falaknuma and Hafeezpet railway stations in the city would be introduced for the convenience of the people visiting the mall. *(160 cos to take part in shopping festival, BL, 1/10/01)*

A review of the month-long Great Mall of Hyderabad, which came to a close on November 14, had shown that the first attempt by the State Government to promote an international shopping event was not a failure despite several unforeseen discouraging factors. The mall, which was organised by Ogilvy Live, an event management company, in collaboration with the Andhra Pradesh Department of Tourism, was projected as the royal Indian shopping adventure. The State Government played the role of a facilitator with no specific investments and Ogilvy Live had invested about Rs 18 cr. Despite factors such as the Sept 11th attack and the 24-hr strike by the road corporation around 11 lakh visitors from India and abroad visited the festivals. A total of 1096 retail outlets participated in the event. *(Great Mall concludes, not a failure despite odds, J Nanda Gopal, BL, 16/11/01)*

The Andhra Pradesh Tourism Department and the Nizamabad District Tourism Promotional Council Organised a Five-Day Indur Utsav-2001 to promote ecotourism, religious and adventure tourism from Oct 24th. The festival was organised to improve the economic activity of the district in the long run and every year 1-2 districts will be encouraged to conduct festivals such as this one. *(5-day tourism festival at Nizamabad, BL, 24/10/01)*

'Visakha Utsav', a 4-day tourist festival scheduled for Dec 22-25, will focus on the sandy beaches and culture and art of the region. The festival is being organised by the State Tourism Department in Vishakapatnam. Water sports, flower show, ethnic craft mela, music and dance festival and a heritage show have been planned during the four days. The State has planned to promote the festival on a National level through a series of road shows in Calcutta, Hyderabad and New Delhi in the coming weeks. *(Vizag to host 4-day tourist festival, BL, 19/11/01)*

Andhra Pradesh was planning to involve private sector in a big way in the Development of Buddhist sites to attract Overseas' Tourists. Of the over 140 Buddhist sites in the state, 22 had been identified 7 as having tourist importance and steps were being taken for development of infrastructure there. Tata Consultancy Services (TCS) had been asked to prepare a detailed plan for development of these sites. *(AP seeks pvt sector aid for Buddhist sites, DH, 22/12/01)*

**Pilgrim Tourism**

The long-pending proposal to provide cable car facility from Tirupati to Tirumala would be a reality in the next two year with the APTDC starting to evaluate technical bids filed by 5 consortia to take up the Rs 70-cr project. *(Tirumala cable cars to be a reality in two years, R Prithviraj, IE, 24/8/01)*

The State Government decided to request the Centre to declare the Air Space above the Tirumala hills, as 'No Fly Zone' in view of the perceived threat. Simultaneously, the State Government has identified 173 places in the State as 'sensitive' and decided to beef up security. The 'sensitive places' include Defence Installations in the City, Domestic and International Airports, Puttaparthi, Secretariat, MLAs quarters, High Court and the State Assembly. *(No fly zone mooted in Tirumala hills, IE, 11/10/01)*

The Department of Tourism and the Tirupati Municipality propose to develop a 'Family Entertainment Centre' at Tirupati in an area of 2 acres within the Tirupati Municipal Park at a distance of about 3 km from the proposed Tirupati Visitors Zone. It is envisaged that the project would offer entertainment for the whole family, based on advanced technology covering concepts such as a cyro zone for snow based themes, an oceanarium, a virtual reality complex, an interactive robot complex etc. An EoI has been invited. *(ET, 15/10/01)*

## POO GOA

Chief Minister Manohar Parrikar has ruled against introducing casinos in the Goa waters. He denied giving any permits to anybody to introduce casinos on the Goa coast. The casinos already in operation had received licences during the Congress regime. He admitted that his Government on realising auctioned the Panaji dockyard off river Mandovi that the vessels required anchoring facility or a base to halt. When licences were given to vessels to run casinos, it was the duty of the government to provide them the anchoring facility. *(Goa says 'no' to casinos, TH, 4/1/01)*

The Goan Government has decided to disallow financial aid from abroad, for the restoration of monuments in Goa under the state's heritage list. Privately owned archaeological sites and buildings are, however, free to accept foreign grants, provided these have the Central Government clearances. In the official list of protected monuments here are the Chapel of Our Lady of the Mount at Old Goa, and the Saptakoteshwar temple at Narva, North Goa, both of which are undergoing extensive restoration being funded by the Portuguese Fuandacao Oriente *(Orient Foundation). (Goa bars foreign aid for heritage, DH, 22/01,01)*

A high-powered working group that met in Goa has decided on principle to set up a golf course. The final decision would be taken once the interested parties have sent in their proposals. The group has also finalised on the master plan for

sustainable development of tourism in Goa for the next 25 years. The Consulting Engineering Services, Delhi, who have drawn the master plan, have suggested diversions from beach tourism to eco-tourism, heritage, adventure, rural, business, science and controlled tourism zone. *(Navhind Times, 9/6/01)*

The sand dunes that added to the beauty of Goa are disappearing fast, triggering fears of Serious Environmental Fallout. These Mounds have been created by Nature over Thousands of Years and play a crucial role in the ecosystem. Scientists say sand dunes check underground marine ingress (which makes freshwater wells saline) and prevent loose sand from blowing into houses along the coast. They also help tame the fury of the elements. Already there are complaints that loose sand blowing on to the roads along the coast is causing vehicles to skid and experts say it is only a matter of time before vegetation along the shore is affected. *(Disappearing sand dunes worry Goa's nature lovers, Frederick Noronha, ET, 1/7/01)*

The Goa State Infrastructure Development Corp. Ltd. has invited EoIs for the management and development of the Miramar, Calangute and Colva beaches. The private firms would be allowed to Develop Leisure and Recreational Spaces, Jogging Tracks, Roadside Pay N Park and Undertake the Development of Water-Sports Activities and/or similar Recreational Activities on demarcated spaces on the beach or landside. The facilities are to comply with the CRZ requirements, *TOI, B, 14/9/01)*

The attacks on the US and US's retaliation have set off panic signals in Goa's tourism industry. Cancellations in foreign individual tourists and group inclusive tourist have already begun. A number of hotel's occupancy rate depends on charter tourists during the tourist season, as this is going to slowdown they plan to look at attracting the corporate domestic clients. *(Afgan events hit Goa tourist traffic, Devika Sequeria, DH, 26/9/01)*

Cancellations on the inbound charter business in early October have meant that the tiny coastal state will not see the usual influx of English, German and Scandinavian tourists. The inbound travel business has been hit at a time when the government has recently permitted domestic travel companies to operate outbound charters. The industry expects business to be significantly lower by anywhere between 20 to 40 percent during the peak season, which runs from October to April. The inbound charter market is estimated at around 85,000 visitors. Of these the lion's share— 80,000—head for Goa while the rest head for Kerala. Although the charter-handling business is characteristically low margin and estimated at around $5-$15 per holidaymaker, travel companies are attracted by the volumes as well as bargaining power it gives them, especially to negotiate with hotels and other travel-related services. *(Goa's beaches denuded of tourists as charters get hit, TOI, M, 16/10/01)*

Goa trance, LSD and ecstasy: a heady mix of techno music with synthetic drugs. This was the fashionable combination at the rave parties of the late Nineties, and it sent hordes of young tourists from Israel and Europe to Goa. The music still remains hugely popular. But the drug tide has turned once again, and charas and ganja are back in fashion here in a big way, says the Anti Narcotics Cell (ANC) of the Goa police. The profile of persons arrested in the last two years is also a revelation- Israelis and Kashmiris who were prominent among the peddlers arrested here in the early nineties, are virtually off the list of offenders today.

The growing numbers of Himachalis and Nepalis (five in the last nine months) arrested recently is also a pointer to the source of the weed that finds its way into

this state. Himachal Pradesh, Nepal, East Uttar Pradesh and Bihar are the chief areas of supply.

The focus of peddling drugs internally and making contact with the foreigners has now shifted to Keralites, a large number of whom are employed as waiters in Goa's coastal restaurants. *(Ganja, charas make a comeback in Goa, Devika Sequeira, DH, 5/12/01)*

Going by the current recessionary trends, tourist arrivals in Goa could drop 50 percent to 50,000 tourists against an average inflow of 100,000 in the previous years. It is estimated that the reduction of 50,000 foreign tourists will see a loss of 600,000 room nights from November 2001 to April 2002. According to Goa Tourism Department officials, around 40 per cent of the state's population solely depend on income from tourism.

The UK-based consultancy, McCluskey & Associates International, has prepared a strategic development plan to promote tourism in Goa. The report has outlined certain short-term rescue measures and long-term promotional activities that would help Goa regain its lost glory.

The report says that Goa has to slash the cost of stay with immediate effect and as a destination it has to be priced competitively to compete with other Asian countries like Thailand, Indonesia and Malaysia.

The challenge facing the tourism industry is to exhibit what has been inherited from a long and colourful past. The fusion of Asian and western culture dates back to the days of European colonialism. Also the age-old evolution of Goan dance, music, festivals, and carnivals can be recreated and marketed to provide a stunning artistic attraction for visitors. Goa can also be showcased as an outdoor holiday destination with activities such as water sport, hiking, sailing and fishing. *(Goa' s tourism spirits may be in for a lift', McCluskey report proposes cutting cost of stay, shedding cheap-paradise tag, Meena Nichani, ET, 21/12/01)*

## Q00 NORTH EASTERN STATES

Assam's overall annual plan is pegged at Rs 1810 cr for 2001-2002. Areas that have received attention are agriculture, irrigation, industries, education, health, transport, tourism, sericulture, handicraft and handlooms. *(Assam annual plan pegged at RS-1810-cr, BL, 26/7/01)*

The Civil Aviation Ministry has identified six-feeder routes to the Northeastern regions. Alliance Air is to operate the 50-seater airlines. The proposed service would be operated to cover places such as Shillong (Meghalaya), Kamalpur (Tripura) and Tezu (Arunachal Pradesh). *(Improving air links to Northeast, BL, 13/8/01)*

## S10 EASTERN INDIA

**Sikkim**

Sikkim has been awarded the National Award in recognition of its efforts to PromoteTourism in the State. The CM, Pawan Chamling, has declared Tourism as a prime sector vis-à-vis Government Policy. In 1997-98, the State had prepared a

15-year Master Plan for Tourism. As far as the Government is concerned, direct revenue from Tourism is rather small- 5-7%. But what lends it great importance is the fact that it has given rise to jobs in related industries, such as hotels, taxis, tour operators, etc. The State is acting as a facilitator to tourism while leaving the actual execution in private hands. The Government is also trying to develop the infrastructural set-up of the State and are constantly undertaking publicity through press and other media. *(The state is only a facilitator, Thomas P Abraham, ET, 31/1/01)*

One of the key points that emerged from the conference led by the Sikkim PM was the potential that Tourism holds for Sikkim. Neighbouring Bhutan has set an example in focussing successfully on High-Value Tourism, whilst keeping a check on the numbers of tourist arrivals. The policy maximises revenue, does not overload the country's nascent infrastructure and is also conducive to preserving the unique eco-system and cultural endowment. Sikkim, too, can profitably follow this path. Sikkim has another advantage. It lies astride one of the earliest trade routes linking India to Tibet that passes over the Jelep La and goes on into Yatung. *(Reviving the Tibet route via Sikkim will give tourism a boost, Ravi Bhotalingam, FE, 14/3/01)*

Seeking a major partnership with the Confederation of Indian Industry (CII) in the new avenues of developmental process in the State, the Sikkim Government has sought fresh investments in areas such as education, tourism, health, hydel power and food- processing sectors. Showcasing the many incentives offered by the State Government to private entrepreneurs in both new and traditional industries at an interactive session organised by the Confederation of Indian Industry (CII). Chief Minister of Sikkim, invited the private sector to come. *(Sikkim seeks pvt funds for power, tourism, BL, 30/5/01)*

**Orissa**

The Orissa Government proposes to set up a Forest Lodge Corporation, on the lines of Karnataka's state-owned chain of resorts, Jungle Lodges and Resorts Limited. The purpose is to bring under its wing all rest houses of Forest Department that are not being maintained properly by the department. Besides, the Orissa Tourism Department is trying to put the spotlight on its best-known assets- Bhubaneshwar, Sun Temple at Konark and Jagannath Temple at Puri. In addition to Konark being its Unique Selling Proposition, they plan to celebrate 100 years of its scientific conservation. The State is keener on playing the role of a facilitator than getting bogged down with details. They are looking at encouraging joint ventures with the corporate sector. They have already leased out their properties and propose to continue with it. As a first step in this direction, Special Tourism Area projects are expected to come up near Puri on an estimated 3,000 acres of land with an initial sanction of Rs 5-cr from the Government. A water sports complex is also being designed at Purl to encourage water sports. *(Showcasing tourism to shed calamity-prone state tag, Anita Rao Kashi, TOI, B, 10/6/01)*

The Orissa Government has banned construction of Buildings and High-Rise Apartments within 100 meters of Historical Monuments protected by the ASI and the State Archaeological Department (SAD). The new Act, known as the 'planning and building standards regulation-2001', which came into force from October 21, also prohibits multi-storeyed buildings in 18 revenue villages identified under the Heritage Zone in and around the State Capital. It also restricts construction of high-rise buildings within 300 meters boundary lines of Old Temples and Historical Monuments, protected by the ASI and the SAD. The buildings in such cases should not exceed seven meters in height. *(Orissa bans construction of buildings in heritage zone, BL, 19/11/01)*

The Orissa Government is planning to introduce helicopter services for tourists to visit Puri, Konark and the Chilka Lake. The Government had already acquired 1,000 acres of land in the Sipasarubali Mouza on the seashore in the outskirts of this pilgrim city where a special tourism area (STA) had been conceived. The land acquired will be utilised to develop an aqua-park and a multinational company had been entrusted with the work. A five-day festival has also been organised by the Hotels and Restaurants Association of Orissa in collaboration with the Central and State Tourism Departments, Eastern Zonal Cultural Centre, Kolkata and song and drama division of the Central government. *(Chopper services for Puri, Konark tourists, BL, 26/11/01)*

**West Bengal**

Sanjeevani Projects, a Kolkata-based real estate developer, has conceptualised and started working on an innovative idea called Vedic Village. Spread over 100 acres, the Vedic Village would have individual houses, resorts, villas, a club and an ayurvedic health centre. The Village would have four major components. The first part would comprise farmhouses along with a natural agricultural farm. The second portion would be a resort spread over 20 acres. The third component would have a club with about 500 members and the fourth competent would be a craft village. *(Sanjeevani's Vedic Village to give a 'taste of nature', BL, 10/1/01)*

Sahara India Pariwar has embarked upon a Rs 900-cr tourism project in association with the Government of West Bengal. The project envisages promoting and linking Sundarbans and Teesta Valley with the national tourist circuit and setting up a five-star club-cum-hotel in Kolkata. The components of the tourism project include floatels, bay resorts, luxury launch facilities, catamaran services, coastal cruise liners and cruise boats, among others. The Teesta Valley complex would have a golf course, wooden chalets and facilities for water sports. The master plan for the entire project would be ready within the next few months. *(Sahara India plans Rs 900-cr tourism project for Bengal, BL, 9/2/01)*

Only five per cent of the domestic and foreign tourists who visit India every year come to West Bengal while Delhi and Mumbai jointly account for 90 per cent in terms of tourist traffic. This, despite the state having some of the most varied and attractive tourist destinations in the world like the forests of Sunder-bans, the hills in Darjeeling, the sea beaches of Digha and the wildlife of the Dooars. The main reason cited by Mr Bezbaruah for this dismal performance lie in the state's failure to promote tourism effectively. The State spends just over Rs 11-cr annually for the development of tourism. *(West Bengal fails to attract domestic, foreign tourists, Dhiman Chattopadhyay, TOI, M, 31/5/01)*

In a bid to mop up additional revenue to the State Exchequer, the West Bengal Government is relinquishing its previous orthodox attitude towards privatisation and currently considering a plan to hand over tourist lodges to various private entrepreneurs. Stating that the Government has accorded a thrust on exploiting the tourist spots in the state, the district magistrates have been asked to identify unidentified potential Tourist Spots in the state for their inclusion in the Bengal Tourism Map. The State Tourism Department is working out a plan for better co-ordination of Major Tourist Circuit Routes in Nepal, Sikkim, Bhutan and Darjeeling besides the famous sea beach at Digha. *(WB t o privatise tourist lodges, DH, 9/6/01)*

Detailing the action plan drawn up to speed up development of basic infrastructure facilities in the State, the West Bengal CM announced that the Government of Malaysia had recently proposed to take up construction of the Kolkata-Haldia

and Kolkata-Kulpi expressways on a turn-key basis through their special purpose vehicle called Construction Industries Development Board (CIDB) of Malaysia. The MoU with CIDB would be signed soon. *(Bengal to sign MoU with Malaysia for expressways, BL, 12/11/01)*

## S20 North India

**Uttaranchal**

The Uttaranchal State Government has constituted a Tourism Advisory Board to make policies for Integrated Development of Tourism in the newly formed hill State. Headed by the State Tourism Minister, Mr Kedar Singh Phonia, the 36-member board would have tourism director as its secretary. Sources said the Government would consider several proposals for the economic development of the State through Tourism, especially religious tourism. *(Govt forms tourism advisory board, BL, 22/01/01)*

The Central Government has asked the Uttaranchal State to prepare a Developmental package and to focus on Tourism, Dairy Farming, Animal Husbandry, Forests and Minerals *(TH, 5/8/01)*. The Department of Tourism is to go ahead and develop the State into an International Tourist Destination. The Government through its various agencies will be undertake developmental projects to create New Tourist Locations and Facilities and upgrade/ renovate and remodel the existing ones. In this context offers were invited for services such as architects, tourism project developers, restoration experts, agencies for preparation of master plans, agencies for promotion of eco-tourism, wildlife tourism and adventure sports, publishers of travel, etc. *(TOI, B, 13/08/01)*

The Government is planning to issue notices to the Indian Mountaineering Foundation (IMF) and Two Foreign Tourist Companies for Violation of Wildlife Laws during an expedition to the Nanda Devi Biosphere Reserve. The expedition was to look into the feasibility of re-introducing adventure tourism in the area. *(Expedition team violated laws, IE, 25/8/01)*

**Uttar Pradesh**

The new draft industrial policy of UP

- Plans to rope in SIDBI in providing loan facilities for specific activities in the tourism sector for which loans are generally not available from other agencies
- Private sector participation in tourism sector would be invited and existing State- owned facilities would be privatised on a lease or out-right sale basis.
- A hotel city is to be developed in Noida.
- In specific locations in the newly carved state of Uttaranchal, capital and power subsidy shall be made available for investment in the tourism sector.
- Land bank being created in Tourist Spots for facilitating private sector investment
- Promotion of Spiritual Tourism with special emphasis in International Markets.
- Meditation and Natural Therapy Centres to be set up by Private Sector.
- Immigration formalities to be simplified at Varanasi and Agra Airports.
- Heritage zones to created and promoted extensively.
- Private airlines would be facilitated in setting up their operations.

*(UP draft industrial policy push to tourism sector, Ashwini Phadnis, BL, 17/8/01)*

**Jharkhand**

The State Government of Jharkhand for the preparation of a Master Plan and Promotion of Tourism has circulated a notice. The New State of Jharkhand, aims at developing the scenic beauty and thereby promoting eco-tourism, besides,

further developing the facilities at its famous religious centres, to make the state an attractive tourist destination. In this regard, the Department of Tourism, Jharkhand, has invited applications from consultants/agencies willing to undertake the job of preparing a perspective plan with a time frame of 20 years for developing sustainable tourism in the State. *(IE, 23/2/02)*

**Himachal Pradesh**

The Himachal Pradesh Government has decided to integrate tourism with Ayurveda to give a boost to the two sectors. Various centres are being set up at popular destinations in the State where tourists can access ayurvedic therapies and herbal treks are being identified to enable tourists to get a glimpse of the rich herbal reserves of the Himalayan region. The Himachal Pradesh Tourism Development Corporation (HPTDC) has decided to provide health package to tourists at its popular hotels in collaboration with three Delhi-based companies. Initially, the facility of treatment through naturopathy, ayurvedic massage and steam bath would be provided at hotels in Shimla, Manali, Dharamshala and Dalhousie. *(Himachal Pradesh bid to boost tourism, BL, 28/5/01)*

**S21 Jammu & Kashmir**

Tourism in the State was already down with continuing militancy and violence: the earthquake of Gujarat has come as another big blow to the hotel industry in the state. Gujarat and Maharastra are the Country's two States sending largest number of tourists and pilgrims to J-K. Gujaratis place the Vaishno Devi shrine and Kashmir valley in top priority to visit during vacation. Occupancy figures of various hotels show that the number of pilgrims from other parts of the country too has come down. *(Gujarat quake hits Kashmir hoteliers, Rakesh Rocky, IE, 20/2/01)*

Past three years: 71,68-foreign tourists
419047- domestic tourists
Pilgrim tourists to Mata Vaishonodevi- 145,00,012
*(Tourist arrivals, Jammu & Kashmir, BL, 15/3/01)*

The cave shrine of Amarnath in Kashmir has also been put on the net like many other pilgrim sites. The State Tourism Department, which handles arrangements for the annual pilgrimage, plans to introduce online registration of pilgrims, either this year or from the next year positively. At present, the registration of pilgrims is done at six centres across the country. At present, prospective pilgrims have to travel long distances to reach the nearest registration centre and then spend hours completing the travel formalities. These include filling up various forms, submitting a medical fitness certificate and providing photographs (for the identity card and records).

The fact that as many as 24 States and several Union Territories do not have any facilities to handle registration means the present system is heavily loaded in favour of people living in the vicinity of the registration centres. Even for people who live in cities with registration centres, it may be easier to go to the nearest cyber cafe than the nearest centre. Those unfamiliar with the Net can pay a fixed fee to the cyber cafe staff and get the needful done. The photographs and medical certificates can both be scanned and tagged to the registration form or sent to a centralised location by post. *(J&K hopes to speed pilgrims' progress, Sant Kumar Sharama, TOI, M, 5/5/01)*

The State Government and the Union Ministry of Tourism and Culture jointly held a three-day 'Sindhu Darshan' festival at Leh in Ladakh from June to Promote Tourism. The festival, offering a kaleidoscope of Indian culture and performing

arts, was aimed at projecting river Sindhu as a symbol of multi-dimensional cultural identity and communal harmony. With a view to create awareness about the festival of National Integration, exhibitions were organised in Nagpur and Pune, among other cities in the country. *(Festival to boost tourism from June 1, BL, 10/5/01)*

**S30 Western India**

**Madhya Pradesh**

The Madhya Pradesh Government has been forced to scrap its plan to privatise hotels and restaurants run by the State Tourism Development Corporation (MPTDC). The reason being that none of the major hotel chains evinced interest in the deal. And what the small-time operators offered was far lower than the offset price. Tenders inviting bids for 30-year renewable lease of all the 42 hotels and restaurants run by MPTDC were floated on December 1999. The Government was hoping to garner around Rs 80 Crore from sale. The idea was to eventually wind up the MPTDC by offering VRS to its 850-odd employees. The privatisation was described as a "logical fallout of economic liberalisation and need for the state to withdraw from all non-essential activities". After unburdening itself of the job of running hotels, the government would concentrate on developing the hitherto unexplored tourist centres. *(MP govt move to sell off hotels has no takers, DH, 12/6/01)*

CII has urged the MP Government to develop a Master Plan for providing better infrastructure, connectivity to tourist destinations, tax rationalisation and tourism development so as to make the state a favourite tourist hub. The State is already working towards this by establishing better connectivity with Maharastra, Gujarat, Goa and Rajasthan. The Government was also contemplating on whether to invite private companies to take up the maintenance of heritage monuments.

The World Famous **'city of temples'** Khajuraho in Madhya Pradesh is likely to be connected by the **Palace on Wheels** by the middle of next year. The State Tourism Minister, Mr Ajay Singh, announced that within a month his department would sign a contract with the Railway Ministry to link Delhi-Gwalior-Jhansi circuit with the Palace on Wheels. However, the execution of the scheme would take another six to eight months. The state would provide basic infrastructure for execution of the project. The state government would focus its activities on promoting wildlife and cultural tourism. The State Government had also entered into an agreement with the World Travel and Tourism Council (WTTC) for the Promotion of Tourism in the State. Madhya Pradesh is the third state after Rajasthan and Kerala to become WTTC partner. Without having any financial obligation, the agreement would enable the State to get its tourism globally promoted by the Council, which had a chain of International Hoteliers as its members. Besides, the council would also identify the potential for Tourism and Create a Tourism Satellite Account to give publicity to the State's tourism sector. The Tourism Department would hold a meeting with the Madhya Pradesh finance corporation (MPFC) by the end of next month to take steps to procure loans for Heritage property owners to develop Heritage Sites. The Department would give an interest subsidy of five per cent up to a loan of Rs 1.5 cr and three per cent up to a loan of Rs 5 cr, to private parties who would offer their Heritage property as collateral. *(Palace on Wheels link City of Temples, BL, 19/11/01)*

**Maharashtra**

The Pune Vyaspeeth, an organisation floated by the Rajya Sabha MP, Mr Suresh Kalmadi, has taken up a project, which will promote the city as the destination for the discerning tourist. They are now chalking out a plan, which will see the city's corporate houses; hospitality sector, tourism experts and artists join hands

to transform the city into a marketable tourism destination. *(Pune- destination for a discerning tourist, Sudha Menon, BL, 26/7/01)*

Rameshwar Vaibhav Development Private Ltd. Rs 2150-cr International Tourist City at Pen-Alibagh in Raigad district of Maharastra has run into trouble following rejection of its application for overseas commercial borrowings (OCB) by the External Commercial Borrowings Department under the Ministry of Finance. *(OCB denial puts tourism projects off the track, BL, 30/7/01)*

Achievements listed by the Maharastra tourism department for the past two years:

- New tourist-friendly policies underway
- Decision taken to start 'Deccan odessey', a super luxury tourist train
- Launching the mega event "The Great Mumbai Bazaar-2002' in January 2002
- Conservation measures for Ajanta & Ellora caves with the help of Government of Japan
- Development of Lonar Crater (Buldhana) and Sindhudurg-Thane-Raigad coastal line.

*(Maharastra touches a new high in the 2 years of Democratic Front governance, BL, 18/10/01)*

**Rajastan**

Major National and International Hotel Chains have showed interest to develop the Jal Mahal Palace and the Mansagar Lake. The contract is worth more than Rs 80 million. The project has been floated by the Jaipur Municipal Corporation (JMC) and has attracted top notch chains like The Oberoi, Le Meridian, ITC, Royal Group of Hotels, Park Hotel and Tulip International. The proposed project includes archaeological conservation and development of tourism infrastructure for Jal Mahal. It would also involve the restoration of the monument and developing recreational facilities in the area surrounding it. Another important objective of the project is the ecological restoration of the Mansagar Lake, which is highly silted due to the wastewater coming in from nearby residential neighbourhoods. The project would involve improving water quality and keeping its level more or less constant so that water sports can be promoted there. *(Major hotel chains line up to bag lake palace contract, Soni Sinha, ET, 24/1/01)*

The Rajasthan State Government has decided to implement the Tourism Act, 1995 to check touting business and for providing better facilities to foreign tourists. The Act was formulated in 1995 but due to unavoidable reasons was not taken forward. The Government has now decided to place the amended act before the Assembly committee for approval. The State Government has also sanctioned a sum of Rs 13 lakh for renovation and restoration of Patwa-Ki-Haveli and Gari-Sar-Ka-Talab. *(Govt to implement Tourism act, BL, 11/6/01)*

Indian Airlines has signed a memorandum of understanding with the Rajasthan Tourism Development Corporation (RTDC) for Promoting Tourism in the State. The MoU will see IA tie up with various hotels, including 'Heritage hotels' and 'Palace on Wheels', through RTDC to formalise holiday packages. In turn, RTDC will appoint IA as its general sales agent (GSA) at all foreign stations where the airlines have an office. IA and RTDC will jointly promote the packages. IA, as part of its ongoing efforts to promote domestic tourism, has introduced 'Rajasthan flyways', a special holiday package for the Delhi-Jaipur-Jodhpur-Delhi and Delhi-Jaipur-Udaipur- Delhi sector.

Meanwhile, the airline also plans to sign similar MoUs with the tourism development corporations of Kerala, Andhra Pradesh, Madhya Pradesh, Gujarat, Karnataka, Tamil Nadu – and the States in the Northeast. *(IA signs MoU to promote tourism in Rajasthan, BL, 15/6/01)*

The State Government plans to bring out a New Tourism Policy soon with the objective of establishing tourism as a peoples' industry and promoting sustainable and eco-friendly tourism in the state. Tourism is already a part of the mission approach recently adopted by the state government. The mission statement vows to ensure optimum utilisation of the rich tourism resources of the state to generate employment, especially in rural areas, to preserve and scientifically manage the rich historical and cultural heritage. Rajasthan ranks third in foreign tourist arrivals and seventh in domestic tourist arrivals. *(Making tourism a people's industry, Abha Sharma, DH, 3/9/01)*

The Hawa Mahal finds itself in a dilapidated state. The entrance to two of its five storeys has already been banned as a measure of caution. The gradual decline has been due to its improper maintenance and neglect. The State Tourism Department had mooted a proposal to hand over upkeep of historic monument in private hands, yet no concrete decision has been taken so far. *(Hawa Mahal is as fragile as 'hawa', DH, 4/11/01)*

**Gujarat**

The earthquake in Gujarat has dealt a severe blow to at the Thar Desert this year. An abrupt cancellation of the much-publicised Desert Festival — which was to be held between February 6 and 8 — has led to a sharp decline in the number of foreign and domestic tourists to this town. More than 80 per cent of the tourists planning to visit Jaisalmer have reportedly cancelled their bookings in local hotels. The losses to the tourism industry in Jaisalmer are estimated at a staggering Rs. 5.5 crores in this current tourist season alone. *(Quake hits tourism in Jaisalmer, Mohammed Iqbal, TH, 26/2/01)*

The Conservationists have protested against the action of the Forest Department to open a 10 km stretch of road through the Gir Sanctuary. While the Forest Officials insist that the road has been opened to allow Hindu pilgrims to pray to a shrine, conservationists fear the Government Decision could affect the area's ecosystem. *(Opening of road through Gir sanctuary creates stir, ET, 12/8/01)*

## S40 Union Territories

**Pondicherry**

The Pondicherry Administration is following the step of Andhra Pradesh by initiating talks with private operators to operate flights from the airport. *(Pondicherry wants private operators, TOI, B, 16/9/01)*

**Daman & Diu**

The Administration of the Union Territory of Diu, on the coast of Gujarat, has sent a proposal to the Centre for declaring the island a 'non-industry zone'. The Diu administration is now determined to focus on developing the island solely as a Tourist Centre. At present, Diu lacks infrastructural facilities by way of approach roads from National Highways and a Railway link but with the conversion of Veraval-Rajkot section to broad gauge, they are expecting an increase in the arrival of tourists. The upcoming Pipavav Port rail link would also be helpful. *(Diu hopes industry-free tag will promote tourism, R R Goswami, ET, 5/4/01)*

## T- FOREIGN COUNTRIES

### T00 International Tourism Volumes and Patterns

When the Economic Crisis struck Asia in 1997, Tourism sank along with financial markets. But record-breaking numbers of visitors in many Asian countries last year signal that the region is making a comeback as a vacation destination. An estimated 14.5 million travellers are expected to visit Hong Kong this year, bringing in nearly $8 billion to the local economy. Many Asian destinations doubled the average global tourism growth of 4.5 per cent, making the region the fastest growing tourist destination in the world. But not all areas were successful. Indonesia and the Philippines saw tourism growth stagnate as local unrest prompted tourists to stay away from potentially dangerous areas. The World Tourism Organisation expects the number of vacationers from the region to double in the next 10 years, and to double again by 2020. And their Asian neighbours are likely to be the first ports of call. *(Asian Tigers bounce back in tourism sector, BL, 27/2/01)*

South Asian and Southeast Asian countries are promoting themselves aggressively as tourist destinations. Airline companies and tourism promotion boards have joined hands to offer festive discounts to customers at rock bottom prices. The attempt is to garner share of 3.7 million Indian tourists visiting abroad every year. Travel and Tourism spending by Indian residents stood Rs 587.4 billion in 2000. Travel spending in India, which witnessed a 15 percent decline month-on-month post September 11, has seen a 7.3 per cent growth during period between September 11 to November 17, 2001.

The Malaysian and the Australian Tourism Development Boards are currently hosting road shows in India to promote their countries as potential tourist attractions. The Singapore tourism board is looking to turn Kuala Lumpur into a shoppers paradise', on the lines of Singapore and Dubai. The Sri Lankan tourism board is offering a package of two to visit the island country at the price of one. *(BL, 28/11/01)*

### T10 South Asia

**Sri Lanka**

Sri Lanka, is positioning itself as a prime eco-tourism destination. According to a booklet listing the prime eco-tourism sites in the country produced under the Sri Lanka Tourism Cluster formed under the USAID Competitiveness Initiative, the world's first wildlife sanctuary was located in the island. The booklet evaluates nine sites, six of which are protected areas and three projects, according to a set of criteria on which eco- tourist ventures should be built, recognised by the World Wildlife Fund and the International Ecotourism Society, among others. *(An eco-tourism destination, Nirupama Subramanian, TH, 4/2/01)*

To revive tourism the Sri Lankan Tourist Board has come out with an offer package for two to visit the exotic isle of Sri Lanka at the price of one. The offer is valid from November 1 to December 20. The first-class package is for Rs 21,000 from Delhi and Mumbai, and its 16,600 from Chennai, which is inclusive of airfare, stay and breakfast. Further, the special package includes two air tickets (economy class) on Sri Lankan Airlines, Airport Transfers and Star Class Accommodation on bed and breakfast basis (twin- sharing). *(Lanka package to lure tourists, BL, 6/11/01)*

**Nepal**

A Nepali mountaineering organisation has been encouraging sherpa climbers to collect garbage dumped on Mount Everest. The organisation will pay the sherpas for the trash that they bring down. The exact amount of litter dumped at different campsites on the 29,035 ft Everest is not known, but climbers say tonnes of junk discarded by mountaineers every year need to b removed from camps. *(Nepal will pay to keep Everest clean, Gopal Sharma, Asian Age, 26/1/01)*

'Festival of Nepal' was launched on May 1st in Kathmandu to showcase the country's rich cultural diversity. Being the first of its kind, the festival is being organised by the Nepal Tourism Board. It aims to attract tourists, especially from India. Some of the highlights of the festival included the national folk dance competition that could present ethnic dances from different parts of Nepal, and the Mithi La dance festival from the "Land of Sita". Other events in the festival included the Nepal-Tibet Challenge Walk organised by the Himalayan Mountain Hike, the Solar Power festival to promote eco-tourism, international food festival, the Phewa boat festival and other adventure sports. *(Festival of Life', from May 1, TH, 27/4/01)*

In a move to attract more mountaineers to the country, Nepal has opened nine new mountains to foreign climbers. The peaks range from Lhotse Middle peak (8,413 in) the highest among the new, to the lowest Thorang peak (5,751 in). Every year thousands of western mountain climbers come to Nepal to try to scale these peaks. Tourism, including mountaineering, brings in $ 168.1 million in 1999, the latest year for which figures are available. *(9 Himalayan peaks opened to climbers, IE, 17/5/01)*

The Nepalese Government is preparing to open another 60 New Peaks for Mountaineering in the next spring season starting in March 2002. The move was to coincide with 2002 being observed as "international mountaineering year". The Home, Defence and Tourism Ministries would make a final approval of the peaks jointly. The height of the peaks that are being opened range from 6000 to 8000 meters and are mostly situated in Kanchenjunga, Annapurna, Khumbu, Lamtang and Mustang Himalayan regions. The five peaks that were not opened last year despite the recommendation of the Ministry are also included in the new list. *(60 new Himalayan peaks to open, BL, 26/11/01)*

Nepal plans to open 103 new mountain peaks and offer special packages to boost the declining tourism industry. The government also announced that no liaison officer would be required to climb peaks below 6,500-metre height, which will reduce the cost of mountaineering by about $1,000 per team. Reducing visa fee and concession in airfare are some of the other incentives being introduced to lure international visitors, particularly neighbouring India.

Nepal is also observing the "International Year of Mountains" in 2002, which also coincides with the golden jubilee celebration of the first successful ascent to Mt. Everest by Tenzing N. Sherpa and Edmund Hilary in 1953. *(Nepal to open over 100 peaks to attract Indian tourists, TOI, B, 26/12/01)*

**T20 South East Asia**

In a Joint Effort to Promote Tourism in Malaysia and Singapore, the respective Tourism Boards of the two countries have formed Malaysia-Singapore Tourism Council. The Council has earmarked $3 million for promotional activities, for a three-year period in seven countries with India being one of them. The focus of

the Council on India does not come as a surprise, as a survey conducted by the Council indicates that an Indian traveller spends $332 per day—thus, emerging as the top spender in Singapore beating the American, European, Australian and the Japanese counterparts. As per the statistics released last week, Singapore reached a new high of 3,46,355 Indians (ranked 9th) visiting during the year 2000, registering 20.1 percent increase over last year. (Malaysia, Singapore bullish on tourism, FE, 25/1/01)

**Singapore**

The Singapore Tourism Board held its Meetings; Incentives, Conventions and Exhibitions (MICE) seminar in Bangalore to promote Singapore as a destination for business meetings as well as tourism. Singapore, ranked as the 5th largest convention venue in the world, is also the most preferred convention site worldwide. This city-state has retained its position as Asia's top meeting place for the 17th consecutive. Besides conventions, Singapore is also a favourite venue for Incentive groups and exhibitions. *(Singapore promotes itself as business meet venue, DH, 21/3/01)*

The Singapore Tourism Board has drawn up 101 ways of promoting tourism in the country. 55% of Indian visitors are repeat tourists. The campaign 'live it up in Singapore' will last over two years. The trend is that more Indian women in-groups of two-four prefer to travel south-east Asia. There was a 25% increase of Indian women to the country from last year (2000). The STB has also tied up with the Malaysian tourism board to promote the two countries together. The MTB-STB, with a fund of US$3 million, is marketing the region in 7 countries around the globe, including India. *(Singapore devises new tourism pitch, Anjali Prayag, BL, 1/7/01)*

**Malaysia**

Tourism has become the second major foreign exchange earner for Malaysia. Tourism arrivals declined from 7.46 million in 1995 to 5.55 million at the end of 1998. This was because of the haze and the financial crisis. The government then decided to re-vamp the ministry of arts, culture and tourism as tourism could assist in boosting the economy.

The areas of concentration following the economic crisis would be three pronged. They would focus their attention on market areas that were unaffected by the economic downturn, look at regional destinations that would generate the flow of traffic to Malaysia immediately and to focus on our domestic tourism. *(Marketing Malaysia, Hugh & Colleen Gantez, TOI, M, 3/4/01)*

Since 1999, the Malaysian government began a serious initiative to tempt Indian families to make Malaysia as the favourite destination. As a part of its continued initiatives the government plans to have zero tax on as many items as possible which tourists love to buy and by trying to make all branded items the cheapest. They also plan to open a visa office at Bangalore. Malaysia earns $ 4.5-bn from the tourism industry and seeks to make it one of the main pillars of the country's economy. *(Bangalore to have Malaysia visa office, Deepak K Upreti, DH, 25/9/01)*

Despite the economic slowdown, Malaysia is experiencing a growth in its tourist arrivals from Asian countries including India. In order to keep the momentum and achieve its target of two lakh tourists from India this year, the Malaysia Tourism Promotion Board has joined hands with Malaysian Airlines and the private sector of that country to bring a road show to India. This is in addition to the $1 million mass media campaign it is running in the country this year. *(Malaysian tourism looks up amid economic slowdown, FE, 27/11/01)*

Malaysia - Truly Asia, is the new slogan adopted by Malaysian Airlines and the Malaysia Tourism Promotion Board to lure Indian tourists to their country. The Malaysian offer includes three International Events like the Grand Prix, the Great Malaysia sale and Colours of Malaysia. *(Malaysia lures Indian tourists in 'True' style, IE, 16/12/01)*

**Thailand**

Hoping to cash in on Tourism, the Thai army plans to open many of its camps to foreign visitors. It proposed that stays at bases should be incorporated into Thailand's national tourism action plan. The once all-powerful Thai military owns large tracts of the country and its bases were often situated in scenic areas. Several years ago, the army opened some of its bases for one-day tours featuring demonstrations in jungle survival. Visitors were put through some basic military training. Under the new plan, to be implemented next year, the focus would be on overnight or longer stays for foreign tourists, especially from Europe and Japan. *(Army camps for tourists, BL, 28/11/01)*

**China**

China is to build a stone cave house hotel with 248 cave dwellings in seven rows, which is to be the largest structure of its kind north West China's Yan'an. It would be built by pieces of stone and is estimated to cost about US $600,000. The Hotel would surpass the current world record holder, the Yan'an University, which has 226 cave houses in six rows. *(China to build cave hotel, TOI, B, 15/10/01)*

**Hong Kong**

Gearing up to woo and increase interaction with Indian tourists Hong Kong Tourism Board (HKTB) plans to focus on India this year as a prime and developing market. The HKTB has been focusing on increasing the Indian travel trade's awareness of Hong Kong as tourist destination through major trade activities including regular quarterly product seminars, travel marts, buyer-seller meet inviting Indian travel agents.

Hong Kong saw 1,31,368 Indian Tourists during last year, recording a significant 22 per cent growth from the previous period. HKTB had recently initiated a two-year tourism project titled 'City of Life - Hong Kong is it', envisaging wide range of events, activities and programmes, to promote it as a popular tourist destination in Asia. *(Hong Kong targets India as 'prime tourism market', ET, 17/4/01)*

India, which recorded a growth of 25.1% in May this year as compared to last year, continues to be one of the fastest growing markets for Hong Kong. During a press briefing the regional Director of HKTB said that the Board plans to put in more resources into the Indian market to further promote HK. *(HK targets Indian tourists, BL, 24/7/01)*

## T40 Middle East/West /Central Asia

**Dubai**

Emirates passengers can now avail over 280 hotel offers in 74 cities around the world, with the new stopover programme for 2001-2002. Bookings for all class of travellers can be made through travel agents for any length of time. There would also be no additional charge even if there were a change in exchange rates. *(Stop-over offers in hotels for emirates customers, BL, 16/9/01)*

Figures from the Department of Tourism and Commerce Marketing, Dubai show that tourism from India to Dubai has been growing at 22% p.a. The DTCM also

plans to further its activities in its Mumbai promotional office. As per a MoU signed between DTCM and GoI, AP, eight large tour operators would visit the state to assess its tourism marketing potential in Dubai. *(Indian tourist trail beelines Dubai, Deepanjali Bhas, TOI, B, 26/9/01)*

**Saudi Arabia**
There was no such thing as a tourist visa for this country, at least until recently. Saudi Arabia is one of the most conservative societies and has long been reluctant to welcome needless visitors. But as part of the new economic reforms, policy makers are cautiously experimenting with new ideas, including tourism. Muslims from all over the world come on pilgrimage to the holy sites in western Saudi Arabia. But their visas are restricted to Mecca and Medina. It will be a while before the Kingdom liberalises its cumbersome visa procedures and makes it easy for outsiders to travel in the country. But the experiments with tourism here suggest their intentions to be in tune with the new liberalisation policies. *(Saudi Arabia opens up, slowly, C. Raja Mohan, TH, 22/01/01)*

**Russia**
Russia is all set to issue 72-hour entry visas at Airports in Moscow, St. Petersburg and some regional border posts. Currently, visitors must get visas in their home country, a process that can take weeks and lead to often frustrating encounters with the post-Soviet nation's bureaucracy. *(Russian airports to issue tourist visas, BL, 17/5/01)*

**Japan**
Indian IT professionals will soon have the world's second largest IT spender, Japan, ushering them in. Japan is set to loosen the country's immigration laws for IT professionals and usher in a H1B visa-style of immigration system, with quotas for various countries. They expect around 6,000 IT professionals in various Indian companies to be working on Japanese projects in India by 2003. *(Japan to ease visa rules to woo India, Prasenjit Bhattacharya, ET, 8/12/01)*

**South Africa**
South Africa is being viewed as an alternative destination to the US and Europe after the September 11 attacks on the US. There were an increased number of enquiries from segments like film crews, school children and honeymooners. The South African Tourism road show that is on its third stop, after Mumbai and Delhi, has received positive response from the Indian travel agents. A recent survey conducted on the tourists travelling to South Africa revealed that 71 per cent of them went there for shopping. The tourism department also plans to develop a number of Heritage Sites associated with Mahatma Gandhi. *(Destination S Africa, BL, 11/10/01)*

## T60 Europe

**Switzerland**
Sabena Airlines has launched special promotional Switzerland tour packages in association with Swissair and Swiss tours for supporting travel agents in the South due to the US attacks. *(Sabena Airlines offers special tour packages to Switzerland, FE, 25/9/01)*

**Germany**
Holidays for Germans are going to become more expensive as travel agents. Tour operators and airlines have increased their rates after the Sept 11th attacks. *(Holidays no longer cheap, BL, 30/10/01)*

The German Ministry is willing to widen and relax its green card norms for Indian professionals and visas for their families. This is a follow-up to the interest showed between the two countries to improve its IT interaction. However a number of matters such as long term green card, short term work permits and fast-track electronic processing still need to be sorted out. *(Germany to ease visa regulations, BL, 31/10/01)*

**Finland**

Bucking the recent drop in air travel, tourists are expected to visit Finnish Lapland in record numbers this winter, drawn by reindeer rides, Santa Claus and the Arctic region. Despite the September 11 attacks in the US, tour organisers are expecting more than 45,000 visitors by air, up 10% from last year during the winter season. Most of the visitors are expected to come from Britain, Japan, Russia and Germany. *(Festival cheer beckons, BL, 25/11/01)*

**France**

A record 75-Million tourists visited France in 2000, confirming the country's position as the world's premier tourist destination. The number of foreign visitors increased for the fifth year running, up 2.7% over the figure for 1999. *(Tourism record, IE, 11/2/01)*

**Spain**

The Spanish Tourism Board plans to promote Spain as a tourism destination in India by strategically using its Asia Pacific office in Singapore. The government is looking at new markets, mainly in the Asia Pacific region and India. The National Tourist Office (NTO) will be working with travel companies, and has tied up with Cox and Kings to promote Spain. The Indian outbound tour market has been growing steadily over the last few years. *(Get set for a Spanish interlude, Nina Varghese, BL, 6/3/01)*

**United Kingdom**

Britain is seeking the help of Bollywood's film fraternity to fight the impact of the Foot and Mouth disease on UK Tourism. Their answer to bring back tourists to the country is the newly published Bollywood Movie Map of Britain targeted at rich Indian film fans. The map is published by the British Tourist Authority (BTA) and aims to cash in on the 400% increase in the number of Bollywood films shot in the UK. It shows how India's filmmakers have developed a taste for British castles and stately homes as exotic location backdrops. The BTA is distributing 55,000 copies in India and the Middle East. *(Britain seeks Bollywood help to save tourism, Shyam Bhatia, DH, 23/4/01)*

**Scotland**

As a par of its promotional gimmick, Visitscotland, the Scottish tourist board offered on sale a hundred luxury holidays for just £10 each as part of a "summer sale" promotion to boost the Scottish tourism industry in the wake of the foot-and-mouth crisis. The breaks usually retail for around £1,000, a hundred times the sale price. They hope that this move will give a major boost to the tourism industry. *(BL, 27/6/01)*

**T70 North America**

The Consulate General based in Chennai, has allowed certain companies to be enrolled in the Consulate General's Business Express Programs. Under this programme, employees of companies (mostly executives or key technical personnel) headquartered at Chennai and residing in Chennai Consular District, being sent

for a temporary stay in the US for business purposes need not be present during visa interviews. Chennai Consular District comprising the states of Tamil Nadu, Andhra Pradesh, Karnataka, Kerala and the Union territories of Pondicherry and Lakshadweep islands. *(US consulate launches new programme for business travellers, TOI, B, 2/5/01)*

A number of American tourists criss-cross Europe in record numbers. Since the launch of the euro two-and-a-half years ago in electronic form, the new currency for 12 European countries has weakened by more than 25 per cent against the dollar, making hotels, services and goods that much cheaper for visiting Americans. When euro notes and coins are rolled out at the start of 2002, US tourists will get another bonus — the hassle of changing money at every new border will disappear. For Americans travelling in the euro zone, the convenience the euro should bring will be noticeable — price transparency for goods and services from country to country, and relief from the bother and fees involved in exchanging money multiple times when crossing borders. *(Euro removes barriers for dollar tourists, BL, 21/6/01)*

American companies in India have become extremely vigilant in all respect and are keeping a close watch on the events in and around Afghanistan. Though there has been no official restrictions imposed on them either by the US embassy in India or their respective headquarters they have decided to keep their travel schedules to the minimum. The top executives of the American companies are not undertaking any casual trips and are restricting their movements only to business requirements. *(US cos cut down 'casual' travel, Ambarish Mukherjee, BL, 9/10/01)*

A growing number of US hotels have extended their heavily discounted rates through the end of the year in response to prospects of a sustained travel crisis. About half of the 3,600 hotels represented by online booking service- Hotel Reservations Network have now extended their post-attack rates, which run 20-30% below pre-attack levels. Most hotels initially adopted a wait-and-see approach to the situation, guaranteeing heavily discounted rates introduced after the attacks in New York and Washing-ton only through the end of September. When it became clear that the ongoing travel crisis that saw occupancy rate plunge after the attacks would continue many extended those rates through the end of October. *(Hotels extend discounts through end of the year, Doug Young, ET, 14/10/01)*

The US Embassy has announced that non-immigrant visa applicants can now make appointments for their visa interviews beginning Nov 1st. The appointment system will allow visa applicants to bypass the visa line and proceed to their interview without delay. Applicants can book their appointments three months in advance. These appointments can be made over the Internet or by any travel agent. *(US Embassy move to cut visa queues, BL, 31/10/01)*

To increase Tourist Traffic, the Department had first promoted Chicago to its residents to travel around the city. Now, in its latest bid to attract visitors, the city is asking residents to show out-of-towners around. The city's tourism department has kicked off 'Chicago Greeter', a free service for visitors who want to see the city through the eyes of people who live in it. Similar to New York's Big Apple Greeter and Australia's Melbourne Greeters, 'Chicago Greeter is previewing this month and then will start again during spring. American and United Airlines will help market the programme and provide some of the greeters. *(A homely sight awaits tourists, BL, 5/11/01)*

## T80 Caribbean/Central and Latin America

### Cuba

For centuries, Cuba's economic fortunes depended on the annual sugar harvest. But with the collapse of the Soviet Union a decade ago, Cuba lost its socialist financial partners and preferential trade. Throughout the 1990s, the sugar harvest regularly yielded less than half the record 8.5 million metric tonnes collected in 1970. Sugar still remains important to Cuba, but tourism is now the island's No. 1 source of foreign currency. Cuban officials say tourism generates $2 billion in annual revenue, followed by sugar at $550 million. Nickel production brings in about $300 million a year according to government figures. *(Tourism sweetens Cuban economy, BL, 12/6/01)*

### Caribbean islands

The slump in leisure travel after last month's attacks in the last month's attacks in the USA has brought "catastrophe' to the Caribbean Tourism Industry. The drastic downturn in travel had resulted in massive cancellations, sharply reduced hotel occupancy rates and at least several hundred-job losses in the tourism industry, which is a major foreign exchange earner for more than half of the states of the region. The Tourism Operators and investors were likely to adopt a "wait-and-see" strategy while they considered the impact of the US military response to last month's strikes and lingering fears of further attacks. *(Caribbean leisure travel sector in trough phase, Magdalena Morales, ET, 12/10/01)*

## T90 Pacific

### New Zealand

Tourism New Zealand, a Government-funded body to Promote International Tourism, is on a road show in Indian metros to increase the awareness of New Zealand as a holiday destination. Though the actual numbers are not large, India is considered as one of emerging markets for tourism to New Zealand. New Zealand has been attracting a number of film crews from all over the world. Last year 60 films were shot in the country. *(The lure of Kiwiland, BL, 6/3/01, T90)*

### Fiji

Fiji's tourism industry lost over $123 million in gross revenues last year due to the coup. In addition, hotel and other tourism sector projects worth some $80-mn have been put on hold or cancelled since the coup, reflecting the loss of confidence in Fiji by investors.

It is further bad news for the South Pacific Island nation, with the economy forecast to decline by eight percent this year. Tourism receipts have been Fiji's major source of foreign currency earnings since 1989. The industry provides employment directly and indirectly to an estimated 40,000 people, which is 15 percent of Fiji's total labour force. Its share of the gross domestic product (GDP) is around 17 per cent. (Coup cost Fiji tourism $123-mn, IE, 10/4/01)

## U INTERNATIONAL ECONOMY

### U31 General Agreement on Trade in Service

Health, telecommunication, air transport, construction, tourism, engineering, accountancy and architecture have been identified by the government along with software and computer-related services as the key areas in which India would press for liberalising of visa regime at the forthcoming WTO negotiations on services. *(India to press for opening up of visa regime for 11 sectors, ET, 20/8/01)*

While developed countries are fully geared for the on-going mandated negotiations on the services sector under the WTO aegis, developing countries are being affected by the absence of sufficient data and market intelligence on the sector. The committee report underlined the need to set up a services task force on the lines of the IT task force to examine services exports and WTO-related issues. An institute for services trade should also be set up in association with apex chambers like Fieo, CII, FICCI, ASSOCHAM, PHD Chamber of Commerce and Industry etc for conducting surveys. The report recommends that bilateral data for trade in services with India's major trading partners be collected on a priority basis for important services, particularly with the help of mandated surveys and concerned industry associations. *(Panel suggests task force for service exports, S Venkitachalam, BL, 18/09/01)*

A study on India and GATS sponsored by ICRIER has called upon the government to initiate reforms by encouraging private sector participation (foreign and domestic) in the infrastructure services sector to enable India to emerge as a major exporter of some of these services in the global market. *(Pvt participation infrastructure stressed, FE, 27/9/01)*

China has announced that foreigners with senior management or technical experience as well as those who have 'invested heavily' will be allowed to stay in the country "permanently" and enter China without a visa. In a sign that China was opening up further, Beijing also announced that foreign tourist groups could get visas on arrival at designated ports of entry from January 1, 2002.

China, which formally joined the World Trade Organisation (WTO) on November 10, not only needs foreign talent to come into the country but encourages its citizens to go overseas. *(China relaxes visa rules, Amit Baruah, TH, 24/11/01)*

### Z00 Statistics

| Net receipts under the foreign travel account (Rs cr.) | | | | | | |
|---|---|---|---|---|---|---|
| | 90-91 | 94-95 | 96-97 | 97-98 | 98-99 | 99-00 |
| Receipts | 2613 | 7424 | 10232 | 10880 | 12604 | 13166 |
| Payments | 703 | 2570 | 3049 | 5339 | 7326 | 9268 |
| Net | 1910 | 4854 | 7183 | 5541 | 5278 | 3898 |

| Foreign Tourist Arrivals (Jan-Jun) | | | | | |
|---|---|---|---|---|---|
| Month | 1999 | 2000 | 2001 | Percentage | Change |
| | | | | 2000/99 | 2001/00 |
| Jan | 253125 | 266972 | 289190 | 5.5 | 8.3 |
| Feb | 241881 | 254721 | 266014 | 5.3 | 4.4 |
| Mar | 227151 | 235326 | 244073 | 3.6 | 3.7 |
| Apr | 165627 | 187419 | 193993 | 13.2 | 3.5 |
| May | 140168 | 151344 | 154360 | 8 | 2 |
| Jun | 153225 | 168716 | 162756 | 10.1 | -3.5 |
| Total | 1181177 | 1264498 | 1310386 | 7.1 | 3.6 |

| Foreign Exchange Earnings (Jan-Jun) in Rs cr | | | | | |
|---|---|---|---|---|---|
| Month | Foreign Exchange Earnings | | | Percentage | Change |
| | 1999 | 2000 | 2001 | 2000/99 | 2001/00 |
| Jan | 1290.28 | 1350.4 | 1627.85 | 4.7 | 20.5 |
| Feb | 1250.31 | 1361.33 | 1472.69 | 8.9 | 8.2 |
| Mar | 1141.41 | 1185.27 | 1335.7 | 3.8 | 12.7 |
| Apr | 1064.45 | 1007.11 | 1128.55 | -5.4 | 12.1 |
| May | 870.67 | 773.25 | 845.02 | -11.2 | 9.3 |
| Jun | 942.88 | 870 | 909.3 | -7.7 | 4.5 |
| Total | 6560 | 6547.36 | 7319.11 | -0.2 | 11.8 |

Source: Press Information Bureau
*(Slump in tourist arrivals in June, BL, 6/7/01, D00)*

| | Tourist Arrivals (Lakhs) | Foreign exchange (Rs. Cr.) |
|---|---|---|
| 1999 | 11.81 | 6560 |
| 2000 | 12.65 | 6547 |
| 2001 | 13.1 | 7319 |

*(Foreign Tourist Arrivals, TOI, M, 11/7/01, D00)*

Net earnings from tourism ($ million)

| Period | Earnings | Spending | Net |
|---|---|---|---|
| 1997-98 | 2914 | 1437 | 1477 |
| 1998-99 | 2993 | 1743 | 1250 |
| 1999-00 | 3036 | 2139 | 897 |
| 2000-01 | 3168 | 2874 | 294 |
| 2001-02 (Apr-Jun) | 718 | 724 | -6 |

*Source: RBI, (Tourism no longer a net forex earner, BL, 2/10/01, C00)*

**Goa**

Growth in Tourism

| Year | % Growth |
|---|---|
| 1992 | 7.30% |
| 1993 | 8.17% |
| 1994 | 9.32% |
| 1995 | |
| 1996 | |
| 1997 | 5.72% |
| 1998 | 3.00% |
| 1999 | 1.80% |

| Growth in Foreign Tourist Arrivals | |
|---|---|
| Year | % Growth |
| 1992 | 55.00% |
| 1993 | 40.50% |
| 1994 | 23.00% |

| Accommodation Available | |
|---|---|
| Year | # of beds |
| 2001 | 14505 |

| Tourist Arrivals | |
|---|---|
| 2000 | 1267000 |

*(Grappling with the tourism plan, Devika Sequeira, DH, 17/7/01)*

Kerala

| 2000-2001 | Tourist Arrivals | Thiruvavanthapuram | Kochi | Thissur |
|---|---|---|---|---|
| Domestic | 5.11 mn | | 810527 | 1376892 |
| Foreign | .21 mn | 82908 | 55819 | |
| Total | 5.31 mn | | | |

*(Big gains in fund-dry spots stun Kerala tourism, M Sarita Varma, FE, 22/8/01)*

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Approvals | 5.3 | 38.9 | 88.6 | 141.9 | 320.7 | 361.5 | 548.9 | 308.1 | 283.7 | 370.4 | 140.9 |
| Actual inflow | 3.5 | 6.8 | 17.9 | 32.9 | 68.2 | 103.9 | 164.3 | 133.4 | 168.7 | 193.4 | 80.1 |

Figures in Rs billion

Up to June

**Top ten sectors**

**Approvals during August 1991 to June 2001, Rs billion**

| Sectors | Approvals |
|---|---|
| Fuels | 704.2 |
| Telecom | 531.1 |
| Electrical equipment | 257.7 |
| Transportation | 190.1 |
| Service sector | 164.3 |
| Metallurgical industries | 145 |
| Chemicals | 124.5 |
| Food processing | 88.4 |
| Hotel and Tourism | 48 |
| Textile | 33.8 |

*(Foreign direct investment in India, BL, 9/9/01)*

**Tourist Arrival in India**
2000: Foreign tourists: 2.62 million and foreign exchange: $ 3.28 billion.
1999: Foreign tourists: 2.48 million and foreign exchange: $ 3.04 billion
% increase of tourists: 5.7% and % increase of foreign exchange: 8.1%
2000: Domestic tourists: 175 million.
1999: Domestic tourists: 168 million
*(Foreign tourist arrivals up 5.7%, BL, 6/01/01)*

| Month | Tourist Arrivals | | Revenues (million USD) | |
|---|---|---|---|---|
| | Numbers | % Change | Amount | % change |
| Oct-00 | 226531 | 3.23 | 244 | 2.70 |
| Nov-00 | 276254 | 5.95 | 302 | - |
| Dec-00 | 280813 | 1.65 | 365 | 20.86 |
| Jan-01 | 283750 | 1.05 | 360 | -1.37 |
| Feb-01 | 262306 | -7.56 | 324 | -10 |
| Mar-01 | 248965 | -5,09 | 292 | -9.88 |
| Apr-01 | 185338 | -25.56 | 246 | -15.75 |
| May-01 | 151098 | -18.47 | 184 | -25.2 |
| Jun-01 | 165267 | 9.38 | 198 | 7.61 |
| Jul-01 | 207593 | 25.61 | 261 | 31.82 |
| Aug-01 | 193734 | -6.68 | 291 | 11.49 |
| Sep-01 | 163176 | -15.77 | 203 | -30.24 |
| Oct-01 | 163192 | 0.01 | 171 | -15.76 |
| Nov-01 | 205713 | 26.06 | 234 | 36.84 |

Source: CMIE *(Hotel industry, Few takers for Indian hospitality, Anup Menon, BL, 16/12/01)*

## Indian Tourism: Current Issues

### A Statement of Concern

As EQUATIONS enters its 17th year of experience and existence in critiquing tourism issues in India, it is challenged by several concerns on the horizon today, a scenario that is likely to persist and extend in both magnitude and implications as we approach the 21st century.

### Towards a Critique: Some Statements

In the context of neo-colonisation

- tourism has to be viewed in the context of a development model which has a political character;
- tourism development has taken place along with increased elitism, authoritarianism, militarism and various forms of State repression in different parts of the world: all of these are threats to the culture, economy and empowerment of communities;
- tourism development along with globalisation process threatens the sovereignty of a nation (in the broadest definition of 'nation';
- tourism eulogises a certain consumptive and luxurious lifestyle which is unsustainable by any means;
- tourism promotes net outflow of capital to global market economy especially to the so-called developed nations;
- tourism is based on the objectified view of the world where beaches, sanctuaries and so on are seen as objects of pleasure which negates the sanctity of the objects as well as of possible meaningful relationships between peoples' and their environments.

## Our Vision for Tourism

**EQUATIONS** seeks a world where wealth, resources and benefits are much more equitably distributed between North and South. Our vision of tourism fits within that framework. While there is no one transposable model which will work in all situations, we are working toward tourism which

- bring economic benefits directly to all segments of the host community, particularly including women and indigenous peoples;
- is subject to local, democratic control, so that communities are making their own decisions about how tourism should be permitted and regulated;
- is integrated into other community activities, so that it is culturally appropriate and sensitive to the inequities between hosts and guests;
- enriches both host (economically, developmentally and in terms of control) and guests (culturally, re-creationally).

This is in contrast to many current tourism models, which are imposed from the North, require the extensive use of imports, are overly commercialised, and reinforce inequities rather than challenges them.

EQUATIONS sees tourism not as a means to bring Southern communities into the Northern mainstream, but rather as one of the ways to work toward a more just world.

## What We Do

The varying roles that **EQUATIONS** plays includes advocacy, centre for information resources, educator, watchdog, helping hand, publisher and producer of materials.

**At the local level**

- focus on a particular place or issue
- documents the tourism movement itself
- conduct surveys with local groups
- produce background material on particular situations
- facilitate scientific research on environmental and related issues

**At the national level**

- EQUATIONS identifies itself as an Indian group, not a global one
- EQUATIONS historical role is as a pioneer who put tourism on the agenda of the national development debate.
- EQUATIONS provides research and publications and is a resource centre.

**At the international level**

- Provide direct support for local action in South Asia
- Provide resources and information for local action elsewhere develop training and seminars for groups worldwide
- Participate integrally in the new global tourism structure when it emerges.

**Information Collection and Dissemination**

- Collaborate with local groups to collect information/inform them about parameters and standards
- Produce brief fact sheets in Basic English so they can readily be translated, and some in local languages
- Produce guidelines for assessing tourism from different perspectives

**Lobbying**

- Make the concerns and interests of local communities visible
- Empower them to lobby for themselves and training
- Offer workshops on fundamental tourism issues.
- Provide "how to" sessions on: participatory research, communications (including how to publish a newsletter and present audiovisual programs), options for strategy (including legal options)
- Tailor each subject to the particular group's situation and priorities.

**Monitoring**

- Learn about hotels entering India, including their investments, corporate behaviour elsewhere, and structures.
- Monitor tourism policy, and legislation which will affect tourism issues
- Network with others who can be "eyes and ears"
- Follow global development that affect tourism
- Produce an annual audit showing how tourism in India is faring, from a critical perspective.

## Source Index

| | |
|---|---|
| BL | Business Line |
| FE | Financial Express |
| ET | Economic Times |
| IE | Indian Express |
| DH | Deccan Herald |
| TOI.B | Times of India, Bangalore |
| TOI.M | Times of India, Mumbai |
| TOI.D | Times of India, Delhi |
| TH | The Hindu |
| NT | Navhind Times, Delhi |
| GT | Gomatak, Goa |
| HT | Hindustan Times |
| EH&C | Express Hotelier and Caterer |
| ET&T | Express Travel & Tourism |
| TP | Travel Plus |

Readers are welcome to write to us for any of the material listed in the Update, though we request contribution towards photocopy and mailing expenses. The data at the end of each item indicates the source. Please refer the source index for abbreviations used.

**EQUATIONS** (Equitable Tourism Options) Seeks to situate the tourism critique within the overall development debate. Our activities include documentation, publications, research and supporting individuals and groups involved in concerted action on tourism issues.

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**N00 ANDHRA PRADESH**

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X04 Local Heritage Sites - Historical/religious/community
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**EQUATIONS**

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